

of dollars from tens of thousands of well-intentioned donors throughout the country; donors who send money they are told will be used for very specific charitable purposes, such as meals for impoverished, hungry children. In reality, Yohannan and his associates divert much of this money and do with it as they please, using it to buy and run for-profit businesses; to build an expensive, secluded headquarters and personal residences; to sponsor an international sports team; and to speculate in financial markets. This case is about ending this egregious abuse.

II. JURISDICTION AND VENUE

2. This Court has jurisdiction pursuant to 28 U.S.C. § 1332(d) because the Class consists of more than 100 members, the amount in controversy exceeds the sum or value of five million dollars (\$5,000,000.00) exclusive of recoverable interest and costs, and minimal diversity exists. This Court also has subject matter jurisdiction pursuant to 18 U.S.C. § 1964, and supplemental jurisdiction over the state law claims pursuant to 28 U.S.C. § 1367.

3. Venue is proper in this District pursuant to 28 U.S.C. § 1391 because a substantial part of the events and omissions giving rise to the claims of Plaintiffs and the Class occurred in this District. Furthermore, venue is proper in this District because Plaintiffs sent donations to Gospel for Asia, Inc. from their home in Springdale, Arkansas.

III. PARTIES

4. Plaintiffs Garland D. Murphy, III, M.D. and Phyllis A. Murphy are individuals who are married and who now reside in Bentonville, Arkansas. Dr. and Mrs.

Murphy bring this action individually and as representatives of a Class of similarly situated donors.

5. Defendant Gospel for Asia, Inc. (also known as “GFA” or “GFA-USA”) is incorporated under the laws of Texas with its headquarters in Wills Point, Texas. The U.S. Internal Revenue Service currently recognizes GFA as both a 501(c)(3) non-profit entity and a “religious order.” GFA also has at least fourteen known affiliated limited liability companies, all registered in Wills Point, TX, including “Road to Peace,” “Unconditional Love,” and “Bridge Builders.” GFA has (or had) affiliated national offices in the United Kingdom, Germany, South Africa, Australia, India, South Korea, Finland, New Zealand, and Canada. Outside of the United States, GFA has its most significant presence in India, where it facilitates activities primarily through four entities: Believers Church, Gospel for Asia-India, Last Hour Ministries, and Love India Ministries. These four entities are each incorporated in the Indian State of Kerala. Believers Church is presented to be an Evangelical Christian religious organization that claims 2.6 million members, principally in South Asia. Believers Church owns and operates a number of for-profit outfits in India, including a rubber plantation, medical and engineering colleges, and a network of for-profit primary schools. GFA and Believers Church are closely linked through funding and purpose, and each is ultimately controlled by the same individual.

6. Defendant Gospel for Asia-International (or “GFA-International”) is incorporated under the laws of Texas with its headquarters in Wills Point, Texas. It was established as a joint venture of Defendant GFA and its Canadian and German affiliates.

7. Defendant Yohannan Kadappiliaril Punnose (also known as “K.P.” Yohannan) is an individual who resides in Wills Point, Texas. Yohannan founded GFA in

1978 and has continuously served as a member of its Board of Directors, its President, and its International Director. Yohannan has travelled and spoken extensively, both within the United States and internationally, on behalf of GFA and is the recognized “face” of GFA throughout the world. Yohannan was also consecrated as the first Metropolitan¹ of Believers Church in 2003, under the authority of the Church of South India (part of the worldwide Anglican Communion). Yohannan has held the foregoing positions at all times relevant to this lawsuit and continues in such positions as of filing. In these positions, Yohannan is the central and principal actor in making the misrepresentations and engaging in the fraud described in this Complaint, as Yohannan directly controls or has ultimate authority over all aspects of GFA-USA, Gospel for Asia-International, Gospel for Asia-India, Believers Church, and all affiliated national offices of GFA. Yohannan has personal, direct access to finances of these entities, and, in his role as Metropolitan Bishop of Believers Church, all Church property is titled in Yohannan’s name. All mailings and solicitations for all Gospel for Asia entities are sent out under Yohannan’s name and signature.

8. Defendant Gisela Punnose (also known as Gisela Yohannan) is an individual who resides in Wills Point, Texas. She is married to K.P. Yohannan and is a member of the Board of Directors of GFA. Gisela Punnose has been involved with GFA since its inception and has represented GFA through appearances at Christian gatherings in multiple countries and through four well-known books.

9. Defendant Daniel Punnose is an individual who resides in Wills Point, Texas. He is the son of K.P. Yohannan and Gisela Punnose, is a member of the Board of

¹ A Metropolitan is the position of highest and absolute authority within the organization, analogous to the Pope of the Roman Catholic Church.

Directors of GFA, and serves as its Vice President. Punnose has travelled and appeared extensively worldwide on behalf of GFA, including frequent speaking appearances within the United States at conferences and churches.

10. Defendant David Carroll is an individual who resides in Wills Point, Texas. Carroll serves GFA in multiple capacities, including Chief Financial Officer, and is also responsible for the overall operations of the U.S. Headquarters of GFA in Wills Point, Texas. Carroll has served with GFA since January 1992 and has since that time presented the work and vision of GFA to churches and ministries across the United States. Carroll has appeared on behalf of GFA in the media.

11. Defendant Pat Emerick is an individual and a United States citizen who resides in Ontario, Canada. Emerick serves as the Director of the Canadian affiliate of GFA. Emerick is an ordained minister of Believers Church and has represented GFA on numerous speaking engagements in the United States and internationally.

12. Defendants Gisela Punnose, Daniel Punnose, Carroll, Emerick, and GFA-International were aware of, and continue to be aware of, the misrepresentations and fraudulent acts committed by Defendants K.P. Yohannan and GFA. Defendants Gisela Punnose, Daniel Punnose, Carroll, Emerick, and GFA-International all provided material assistance to Defendants K.P. Yohannan and GFA in committing the acts and omissions set forth in this Complaint.

13. Defendants are sometimes referred to collectively throughout this Complaint as “Defendants.”

14. Defendants conduct substantial business within Arkansas and throughout the United States through the solicitation and collection of monetary donations to GFA.

Defendants have received donations through the “Arkansas to Asia with Love” fundraising campaign that challenged Arkansas residents to donate to GFA.² Defendants and/or their agents have also made personal appearances and presentations in Arkansas designed to promote GFA and solicit and collect donations.

IV. GENERAL ALLEGATIONS

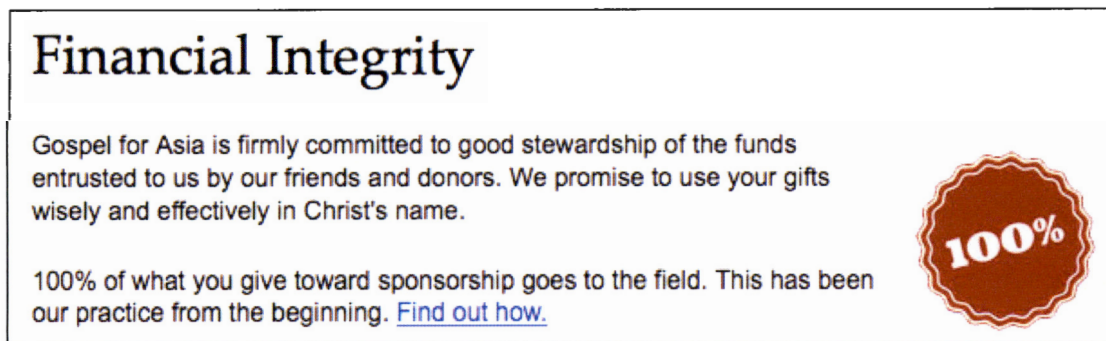
15. GFA is a global Christian missionary organization that operates in South Asia, primarily within India. Through mail, radio, website, and in-person solicitations of donations, GFA represents to potential donors that it funds indigenous community development projects, provides desperately needed supplies and provisions to the poor, and promotes a Christian message. Between 2007 and 2013, GFA has solicited over \$450,000,000 in donations from the United States alone, where the majority of GFA’s donors reside. Well over one million unique donations are made to GFA each year from tens of thousands of donors who give one time or on a recurring, sponsorship basis. However, despite repeated, explicit guarantees from GFA to donors, only a fraction of the donated money supports the people and causes for which it was donated, as Defendants redirect it for their own purposes. Significantly, the Evangelical Council for Financial Accountability (“ECFA”), a private oversight body that reviews the finances of Christian organizations that solicit charitable donations, decertified GFA in September of 2015 after investigating its finances. *See generally* Exhibit 1 hereto.

² See <https://www.mygfa.org/arkansastoasiawithlove/#donations> (last accessed January 28, 2016). Similar campaigns have been conducted in other states.

A. GFA solicits money by promising to use 100% of it for donor-specified purposes in the mission field

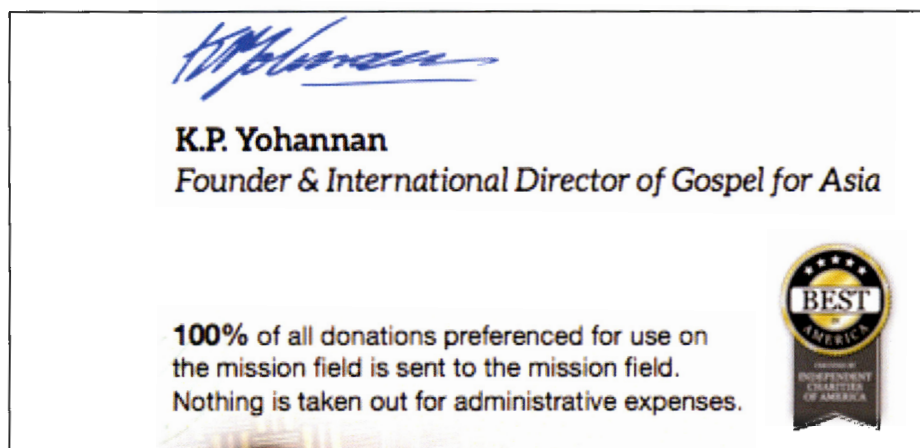
16. GFA solicits donations through its website (www.GFA.org), mailed solicitations, radio programming, and at in-person presentations. In its solicitations, GFA relies on three main types of representations: (1) its “GFA 100% Guarantee” that all money donated “goes to the field” when the donor intends; (2) a purportedly urgent, critical need for immediate donations; and (3) the donor’s ability to designate particular projects or items and GFA’s commitment to honor the donor’s designations.

17. GFA claims consistently that “100%” of what a donor gives for development, relief, and sponsorship abroad will go “to the field.” GFA claims that the GFA 100% Guarantee “has been our practice from the beginning,” and it places red, stamp-like emblems boasting “100% Guarantee” throughout GFA solicitations, as illustrated in the following examples:



The 100% Guarantee appears throughout GFA’s website (as of September 3, 2015). See <https://web.archive.org/web/20150906012157/http://www.gfa.org/about/financial-integrity/>,³ last accessed February 2, 2016.

³ Prior versions of GFA webpages citing “web.archive.org” are viewable today at the Internet Archive’s “Wayback Machine,” self-described as a “service that allows people to visit archived versions of Web sites. Visitors to the Wayback Machine can type in a URL, select a date range, and then begin surfing on an archived version of the Web.” See https://archive.org/about/faqs.php#The_Wayback_Machine, last accessed February 2, 2016.



The 100% Guarantee appears repeatedly in GFA's printed 2015 "Christmas Catalog." Exhibit 2 hereto.

18. As GFA explains on its website, "the Field" for which GFA solicits charitable relief is a geographic concept, meaning the "10/40 Window" (the section of the Eastern Hemisphere between 10 and 40 degrees north of the Equator; the countries in this region face high levels of socioeconomic challenge and have low access to Christian theology).⁴ The 10/40 Window (and, thus, "the Field") contains over 50 countries, not including the United States. GFA-USA is termed the "Home Office," such that the 100% Guarantee explicitly states that donations for "the Field" will never be applied for projects or needs within the United States, including GFA's administrative or salary expenses.⁵

19. Additionally, GFA further tells donors that the need for funding is "urgent"

⁴ See <http://www.gfa.org/about/what-we-do/> (last accessed February 1, 2016).

⁵ See "I've read in many of your publications that 100% of the money I give for mission work goes directly to the field. How does GFA raise enough money for administrative needs?" and "How are GFA home team staff supported" on FAQs at <http://www.gfa.org/about/faqs/> (last accessed February 1, 2016).

to enable “critical” and “emergency” projects.⁶ Missionaries “have the opportunity to change lives in Asia, but only for a short time”; they “just need your help” to begin their fellowships among the unreached in Asia.⁷ Hundreds of children are “awaiting” donations to begin “today” for schooling, clothing, and care.⁸ This sense of urgency is intended to compel donors to act sooner and more often than they might otherwise, as illustrated in the following examples:



A GFA “Emergency Gram” GFA sent to other donors in May 2015. Exhibit 3 hereto.

⁶ See Exhibit 1 hereto at p.3, item 4 (“The level of urgency communicated in GFA donor appeals contrasted with reserves held by foreign field partners and delays in sending funding to the field.”).

⁷ See <http://www.gfa.org/sponsor/> and <http://www.gfa.org/sponsor/why-national-missionaries/>, respectively (last accessed February 1, 2016).

⁸ See <http://www.gfa.org/sponsorachild/filter/> (last accessed February 1, 2016).



A solicitation for child sponsorship on the GFA website (as of September 3, 2015). See <https://web.archive.org/web/20150906032451/http://www.gfa.org/sponsorachild/filter/> (last accessed February 2, 2016).

20. Crucially, GFA promises, through mail solicitations and its website, to apply donations only to the specific projects and items donors select. GFA sends out monthly direct mail “campaign” solicitations, often tied to specific projects or items, such as its “Sewing Machines Appeal” from April 2012 or the “Pure Water Appeal” from August 2014, as well as occasional “Harvest” Newsletters and the “GFA World” magazine, each of which solicit donations. The best example of GFA’s mail solicitation effort is the “GFA Christmas Catalog,” an annual 15-20 page glossy with photos of specific “gifts” that donors may provide to the needy to coincide with the holiday season. Exhibit 2 hereto. Like the GFA Christmas Catalog, the GFA website (www.GFA.org) lists dozens of items and services to support relief work and directly improve lives. For example, GFA represents that a \$12 donation will be applied toward the purchase of a blanket for a family in need of warmth:



Solicitation of blankets for the needy in the 2015 "GFA Christmas Catalog." Exhibit 2 hereto.



Blanket
\$12

On those blustery winter nights during the winter season, who doesn't like to curl up under a warm, soft blanket? That's not possible for many impoverished families in Asia. Many live in homes that lack sufficient heat and protection against the harsh winter elements. Your gift of \$12 for a blanket will provide much-needed warmth and comfort.


My Donation \$

Solicitation of blankets for the needy on GFA.org. See <http://www.gfa.org/donation/browse/items/joy-of-work/> (last accessed February 1, 2016).

21. GFA represents that a \$345 donation will be applied toward the purchase of a camel to facilitate commerce and provide food and clothing:




Solicitation of camels for the needy in the 2015 "GFA Christmas Catalog." Exhibit 2 hereto.



Camels

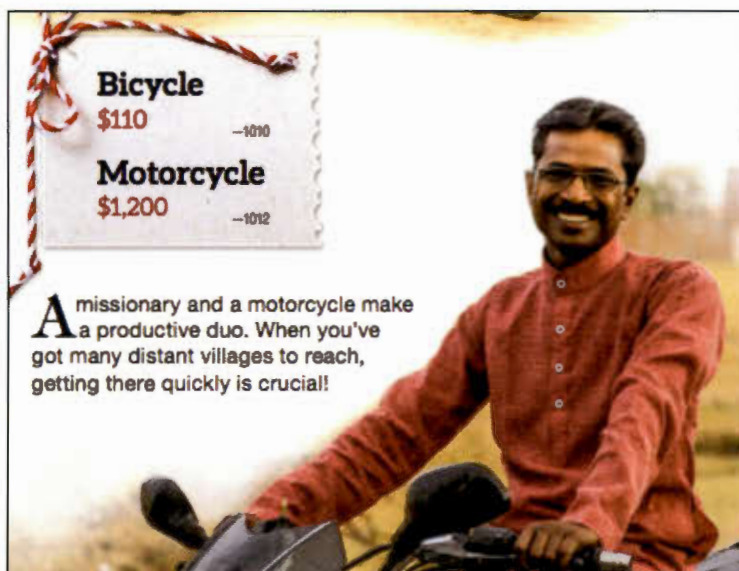
\$345 each

Camels feel right at home in Rajasthan, one of the hottest and driest places in India. They can work long hours in the heat with no problem and are used for plowing, transportation and hauling goods. Trucks quickly sink into sand. However, camels can carry up to 330 pounds across a desert with no problem. Camel milk is also part of many diets in Rajasthan, and camel wool can even be woven into cloth.

My Donation \$**Add** 

Solicitation of camels for the needy on GFA.org. See <http://www.gfa.org/donation/browse/items/from-the-stable/> (last accessed February 1, 2016).

22. GFA represents that a \$1,200 donation will be applied toward the purchase of a missionary's motorcycle to facilitate a missionary's outreach:

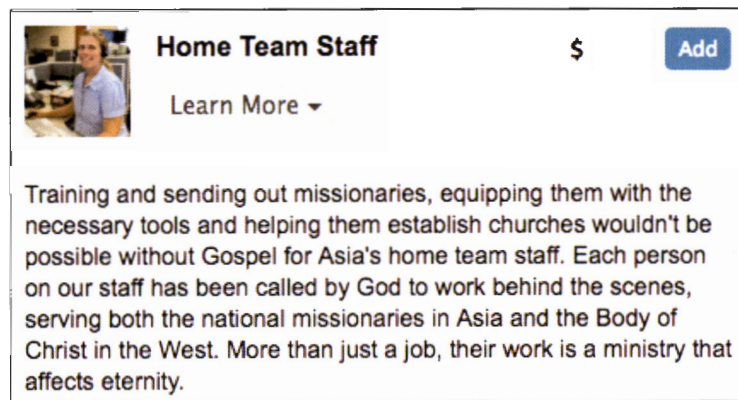


*Solicitation of motorcycles for missionaries in the 2015 "GFA Christmas Catalog."
Exhibit 2 hereto.*



*Solicitation of motorbikes for the missionaries on GFA.org. See
<http://www.gfa.org/donation/browse/items/tools-for-missionaries/> (last accessed
February 2, 2016).*

23. GFA also offers a specific donation option for the "Home Team" to defray costs of GFA's U.S. administration and staff salaries. This option would, if realized, give effect to GFA's claimed distinction between donations "to the Field" and for the "Home Team" and the applicability of the GFA 100% Guarantee to the former:

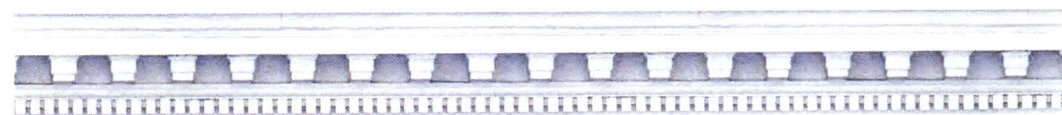


Solicitation for Home Team support on GFA.org. See <http://www.gfa.org/donation/browse/items/where-most-needed/> (last accessed February 1, 2016).



Solicitation specific to "the Field" in the 2015 "GFA Christmas Catalog." Exhibit 2 hereto.

24. Once the donor has selected the items she wishes to provide, she either copies each item's designation code to a pledge card or, through the website, adds the item to her "cart," no different from the experience of shopping with a major retailer. She receives a donation receipt from GFA expressing gratitude for the gift and indicating the specific amounts designated for each specific project or item (including the designation code on the receipt), often repeating the "GFA 100% Guarantee," as shown in the following example:



▲ KEEP this portion for tax purposes 1800-WIN-ASIA (1-800-946-2742) • M-F, 9 a.m.-5 p.m. Central • 1800 Golden Trail Court • Carrollton, TX 75010
 ▼ RETURN this portion with your next gift www.gfa.org Make checks payable to Gospel for Asia. For credit card or bank debit, see back.

Commitments as of December 31, 2012

Commitment	Code	Amount
Ratan Swargiary	151911	\$30 /mo
13 Bridge of Hope Children	Summary	\$455 /mo
2 Bridge of Hope Children	Summary	\$840 /yr
	Current Month Total	\$485.00

Your Next Gift

Gift Preference	Amount Enclosed
Pledged Amount---\$485.00	\$ _____
Where Most Needed (7000)	\$ _____
Bicycles(1010)	\$ _____
Other (Please Specify)	\$ _____
Total Gift Enclosed	\$ _____

Garland and Phyllis Murphy: 16812323

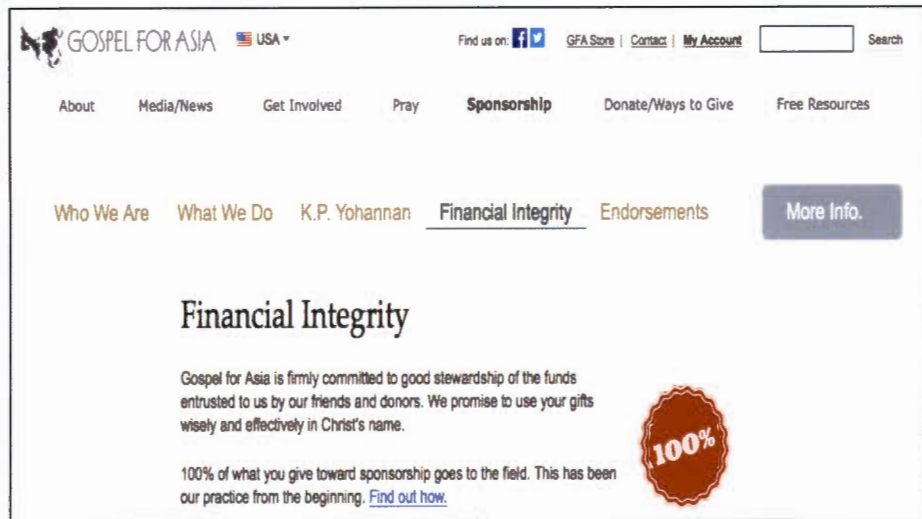
An example receipt GFA sent the Murphys; note documentation of donor's designations as "Commitments" by name and GFA's designation code. The 100% Guarantee is at the bottom of this receipt (Exhibit 4 hereto).

25. In addition to providing a portal for donations, GFA's website is a repository for promotional and explanatory materials and GFA's policy documents. The website answers frequently asked questions, and offers descriptions of "Who We Are"⁹ and ways for the faithful to "Pray"¹⁰ for GFA, among other topics. This information is readily available to donors who visit the website (which is also referenced in nearly all mail solicitations).

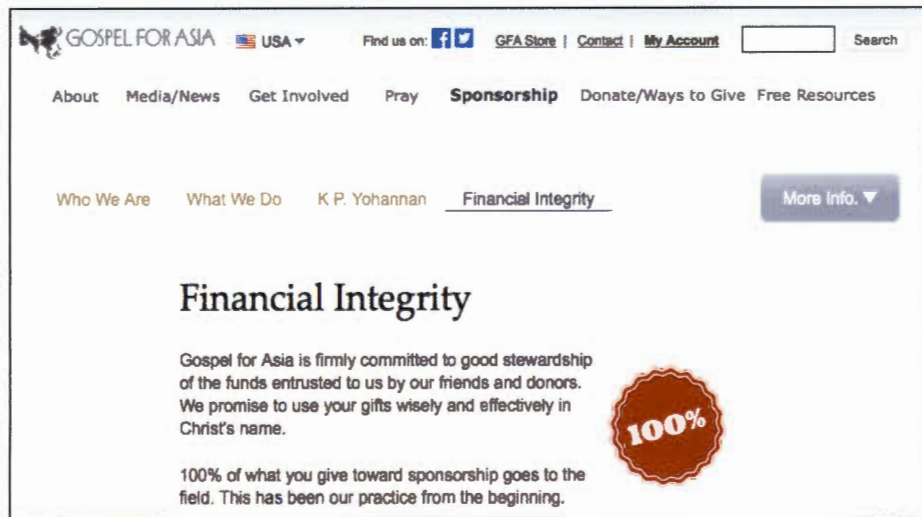
26. In mid-September of 2015, GFA updated the "Financial Integrity" section of its website to reflect its loss of membership in ECFA. At this time, GFA also altered its explanation of the 100% Guarantee, the hallmark pledge it had made to donors "since the beginning of the ministry." The initial boast of the 100% Guarantee remained exactly the same after the mid-September 2015 alterations:

⁹ See <http://www.gfa.org/about/who-we-are/> (last accessed February 1, 2016).

¹⁰ See <http://www.gfa.org/pray/> (last accessed February 1, 2016).



The initial presentation of the 100% Guarantee in the “Financial Integrity” section of GFA’s website (as of September 3, 2015). See <https://web.archive.org/web/20150906012157/http://www.gfa.org/about/financial-integrity/> (last accessed February 2, 2016).



The exact same initial presentation of the 100% Guarantee in the “Financial Integrity” section of GFA’s current website. See <http://www.gfa.org/about/financial-integrity/> (last accessed February 1, 2016).

27. But GFA revised its explanation of the 100% Guarantee by adding the following wholly new verbiage: “We are committed to honoring your gift preferences, however, occasionally we receive more contributions for a given project than can be

wisely applied to that project. When this happens we use the funds to meet a similar pressing need.” The following two screenshots from GFA’s website illustrate the change:

100% to the Field

Since the ministry began, we have sent 100% percent of what you give toward sponsoring a missionary or child to the field.

One hundred percent of contributions for use on the mission field are sent to the nations we serve and we have trusted the Lord to provide for our overhead costs.

At the same time, we do our part to keep these expenses very low. For instance, our home office staff members raise their own financial support, which covers their salary and benefits, helping keep our overhead costs at a minimum.

Our administrative costs are covered through donations designated "Home Office" or sometimes "Where Most Needed". The Lord has been faithful to meet our every need for over 30 years, and we give Him glory and thanks.

The explanation of the 100% Guarantee in the “Financial Integrity” section of GFA’s website (as of September 3, 2015). See

<https://web.archive.org/web/20150906012157/http://www.gfa.org/about/financial-integrity/> (last accessed February 2, 2016).

100% to the Field

100% of all donations preferenced for use on the mission field are sent to the mission field. Contributions are income tax deductible to the extent allowed by law, and are made with the understanding that Gospel for Asia has complete discretion and control over the use of all donated funds. We are committed to honoring your gift preferences, however, occasionally we receive more contributions for a given project than can be wisely applied to that project. When this happens we use the funds to meet a similar pressing need.

The revised explanation of the 100% Guarantee in the “Financial Integrity” section of GFA’s current website. See <http://www.gfa.org/about/financial-integrity/> (last accessed February 1, 2016).

B. After it receives money, GFA diverts and misdirects the majority of it

28. GFA claims to be a 501(c)(3) non-profit entity and a “religious order” recognized by the Internal Revenue Service (under IRS Rev. Proc. 91-20, 1991-1 C.B.

524, Sec. 3),¹¹ and it therefore is not required to publish its financial statements (IRS Form 990) as is otherwise required of a 501(c)(3). In India, however, as a foreign charity, GFA is required to publicly account for all funds it spends in the country, pursuant to the Indian Foreign Contribution Regulation Act of 2010. Financial analysis of the reports submitted to the Indian Government (“FC-6 forms”) for Believers Church, Gospel for Asia-India, and the related limited liability companies Last Hour Ministries and Love India Ministries demonstrates just how little of the money GFA sends to India is actually spent on the projects and items U.S. donors designated. *See generally* Exhibits 1, 5, and 6 hereto.

29. For example, in 2013 (the most recent year for which audited financial data is available), GFA worldwide collected around \$115,000,000 in donations (more than \$90 million from the U.S.), but spent only \$14,644,642 on services and relief under GFA’s mission to support the poor and needy of India—directly contrary to donor designations and GFA’s promises. Here is an overview of what GFA did with donated money in 2013 (as an example of its practices), derived from internal GFA financial documents and FC-6 forms:

- GFA’s national offices in the United States, Canada, the United Kingdom, Australia, New Zealand, and Germany dispersed a total of approximately \$118.6 million in the fiscal year ending December 31, 2013.¹² Of this \$118.6 million:

¹¹ See <http://www.gfa.org/sponsor/search/> and “I hear GFA is a religious order. What does that mean?” answered at <http://www.gfa.org/about/faqs/>, last accessed February 1, 2016.

¹² Rounding and currency conversions may account for slight variations in totals presented, but tabulations of exact figures based on GFA’s internal and/or audited amounts and official Indian public records GFA affiliates provided to the Indian Government pursuant to Indian law are attached as Exhibits 5 and 6 hereto.

- \$37.8 million was spent on the administrative needs of the various national offices (GFA spent \$24.3 million of this on the continuing construction of GFA's headquarters in Wills Point).
- \$76.3 million was provided to Gospel for Asia-International (\$58,482,900 from GFA-USA; \$11.4 million from GFA-Canada; and \$1 million from GFA-Germany).
- GFA-UK, GFA-New Zealand, and GFA-Australia sent a combined \$5.3 million directly to GFA affiliates in India (as reflected on FC-6 forms).
- Of the \$76.3 million GFA-International received from GFA entities in the United States, Canada, and Germany, almost \$43 million went missing, no longer accounted for in GFA financial documents nor received in India per FC-6 forms.
- The four Indian-based GFA affiliates (GFA-India, Believers Church, Love India Ministries, and Last Hour Ministries) declared receipt of \$33.6 million from foreign sources. Just \$28.3 million was declared to have come from the U.S., Canada, and Germany through GFA-International; the United Kingdom, Australia, and New Zealand had sent the balance directly to these GFA affiliates.
 - To this received total of \$33.6 million, the four Indian-based GFA affiliates added an existing bank balance of more than \$170 million and annual interest earned of more than \$14 million. This provided these four GFA-affiliates with more than \$215 million available to spend.
 - However, of this \$215 million cash-on-hand, almost \$15 million would depreciate due to currency fluctuations and the GFA affiliates closed the year with almost \$150 million still in their bank accounts. This left the

four GFA affiliates 2013 spending total at \$54.5 million, as reflected through the combined FC-6 forms.

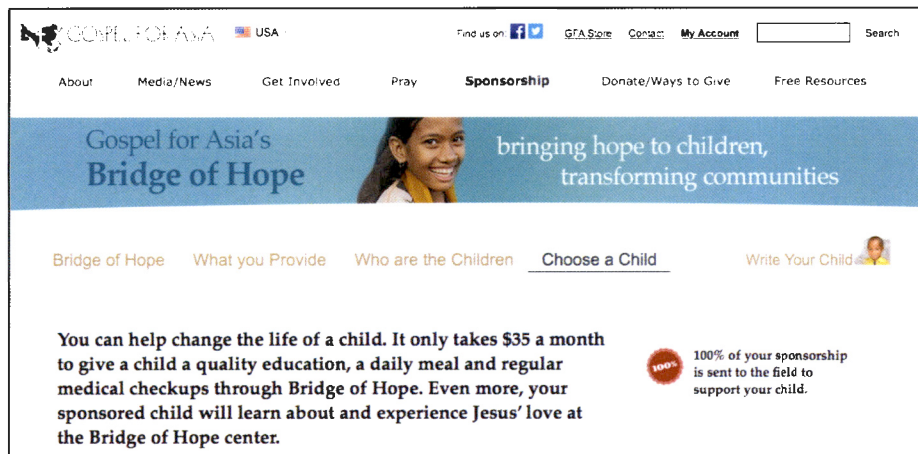
- Of this \$54.5 million total:
 - \$9.2 million was spent on Field administrative expenses.
 - \$14.7 million was spent on the purchase and/or construction of the for-profit Believers Church Hospital.
 - \$15.7 million was spent on Believers Church salaries and overhead.
- **Only \$14.9 million was spent on all direct relief to the poor and needy of India.** This included (as described on Indian FC-6 forms) just:
 - \$6.3 million on “welfare of children” (also known as GFA’s “Bridge of Hope”);
 - \$5.8 million on “religious schools/education of priests and preachers” (also known as GFA’s “National Missionaries” sponsorships);
 - \$1.4 million on “digging of bore wells” (also known as GFA’s “Jesus Wells”);
 - \$0.5 million on “relief/rehabilitation of victims of natural calamities” (also known as GFA’s “disaster relief” fund); and
 - \$436.00 on “welfare of the aged/widows” and \$0.00 “welfare of the orphans” (also known as GFA’s “Widows and Orphans” fund).

30. Thus, despite GFA’s explicit representations that it would spend in the

field 100% of every dollar donors designated for the field, GFA spent only \$14.9 million of \$118.6 million on actual relief efforts, instead spending far more on salaries and overhead for Believers Church and construction of the GFA Headquarters in Wills Point, Texas. The following three examples further illustrate particular ways in which GFA misdirected funds designated by donors for specific purposes:

1. GFA misdirected money designated for Bridge of Hope

31. GFA advertises that through its “Bridge of Hope” program it will provide a child in India with “Jesus’ love; quality education; a daily meal; and medical care” in exchange for a monthly pledge of \$35.¹³ Bridge of Hope is one of GFA’s most popular donation options, receiving millions of dollars annually from tens of thousands of donors in the United States, many of whom sponsor multiple children over multiple years:



Bridge of Hope sponsorship information from GFA’s website (as of September 3, 2015). See <https://web.archive.org/web/20150906032451/http://www.gfa.org/sponsorachild/filter/> (last accessed February 2, 2016).

32. However, per GFA documents, in FYE 2014 the actual cost to support a

¹³ See <http://www.gfa.org/sponsorachild/filter/> (last accessed February 1, 2016).

child in Bridge of Hope was less than INR 500 (roughly \$8.20) per month.¹⁴ In 2013, GFA received over \$15 million in donations specifically designated for “Bridge of Hope,” but spent only \$6.3 million on “child welfare.”

2. GFA misdirected money designated for Jesus Wells

33. GFA represents that it constructs “Jesus Wells” to provide clean, potable water to underserved villages in India. In 2012, GFA collected more than \$3.5 million in donations designated for Jesus Wells, but spent only \$500,000 on that project. In 2013, GFA collected more than \$4 million in donations designated for Jesus Wells, but spent only \$700,000 on that project. Accepting GFA’s representation that it is able to drill a well for only \$1,400,¹⁵ in real terms, this discrepancy between donations received and money spent in India means that in 2012 GFA received funding sufficient to establish at least 2,500 wells, but its actual spending in India was sufficient to establish only 350 wells, while in 2013, GFA received funding for at least 2,800 wells, but only spent enough in India for 500 wells.

3. GFA misdirected money designated for orphans and widows

34. Between 2010 and 2013, GFA collected more than \$4.2 million dollars designated by donors to support “Widows and Abandoned Children.” During that time, GFA, per disclosures on FC-6 forms, spent only \$31,265 for the welfare of widows, and

¹⁴ Warren Throckmorton, “How Much Does it Really Cost to Sponsor a Child with Gospel for Asia?” posted May 27, 2015 at <http://www.patheos.com/blogs/warrenthrockmorton/2015/05/27/how-much-does-it-really-cost-to-sponsor-a-child-with-gospel-for-asia/> (last accessed February 1, 2016).

¹⁵ See <http://www.gfa.org/ministries/jesuswells/> (last accessed February 1, 2016).


\$0.00 for the welfare of orphans—less than 1% of what GFA collected for this purpose.

In South Asian culture, most widows are seen as a curse and shunned from society. Depending on the circumstances, they're often ignored by even their close relatives.

Abandoned children also face extremely difficult conditions. On their own, they search for food in waste dumps and make their homes with trash and rubble.

Their Situation Can Improve

Your donation will provide Gospel for Asia-supported missionaries with the means to help these precious women and children of God.

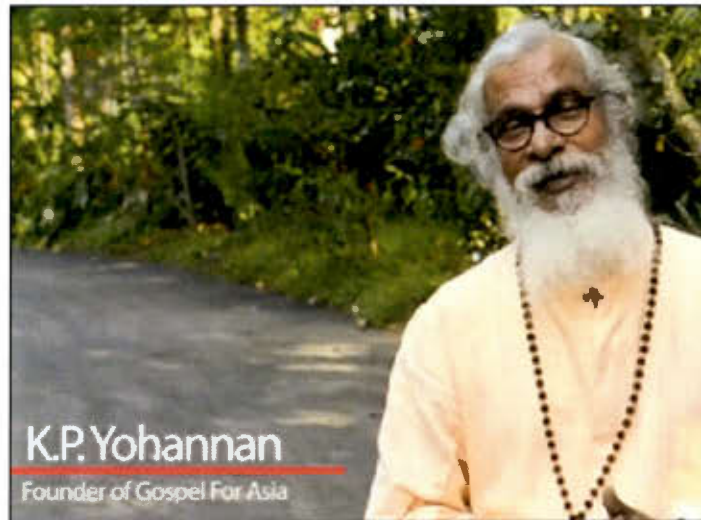


Solicitation of donations to support “Widows and Abandoned Children” from GFA.org (as it appeared on November 2, 2012). See <https://web.archive.org/web/20121102031628/http://www.gfa.org/ministries/widows-abandoned-children/> (last accessed February 2, 2016).

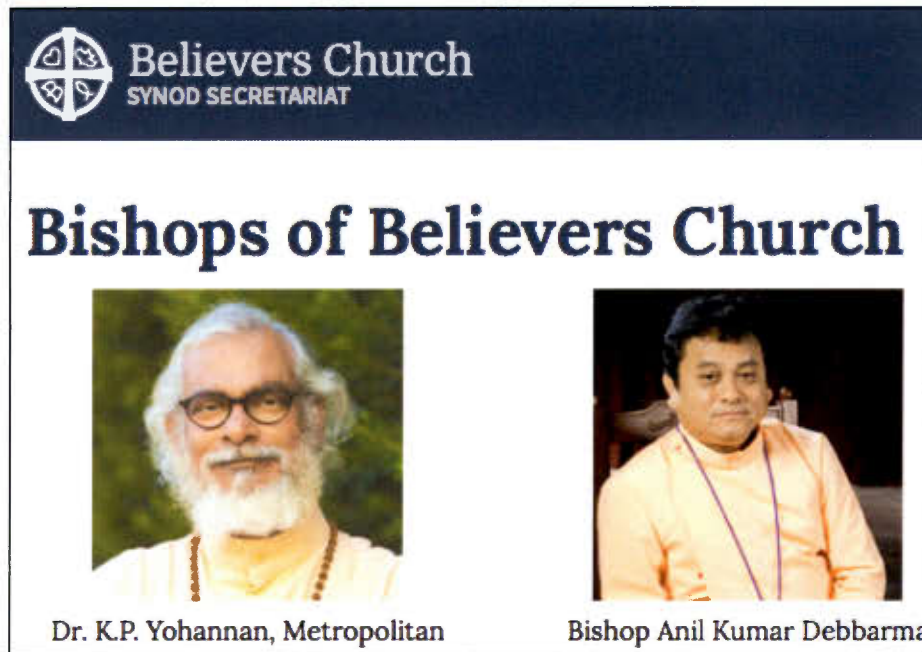
C. GFA diverts donated money to benefit itself and its affiliates

35. GFA sends the majority of the donated funds it receives to Gospel for Asia – India and Believers Church. GFA represents that these Indian entities are wholly separate from GFA and not subject to the control of either GFA or K.P. Yohannan. GFA’s website presents Believers Church as a “Field Partner” of GFA and, states there is “no legal binding [sic] between GFA and Believers Church.”¹⁶ In a video overview of Believers Church hosted on GFA’s website, GFA identifies K.P. Yohannan solely as the “Founder of Gospel for Asia.” The video is hosted at <http://www.gfa.org/believerschurch/>, and a screenshot from the video containing this identification is as follows:

¹⁶ See “Once in a while, I hear about Believers Church through GFA. Is there any affiliation between GFA and Believers Church?” answered at <http://www.gfa.org/about/faqs/> (last accessed February 1, 2016).



36. K.P. Yohannan, however, also serves as the Metropolitan of Believers Church (the position of highest and absolute authority within the organization, analogous to the Pope of the Roman Catholic Church).



Believers Church has eleven bishops, including Metropolitan Yohannan. See <http://www.believerschurch.com/about/bishops/> (last accessed February 2, 2016).

37. As Metropolitan, Yohannan knows of and provides input into every

significant decision affecting the finances of Believers Church. *See* Exhibit 1 hereto at p.6, item 10. Among the “Powers and Functions of the Metropolitan,” as outlined in the 2009 Constitution of Believers Church, are:

- “The Metropolitan shall by the virtue of his office is [sic] the President and final authority for the Church government, including the Managing Trustee or President of all Trust and societies of the Believers Church and custodian of the Believers Church at large.”
- “He has authority over the Church and all the establishments thereunder.”
- “The Metropolitan shall have power to give directions to the Episcopa (Bishops) on all matters in regards to spiritual and general administration and life of the Church and can withdraw or modify any of such conferred powers.”

CHAPTER 2

THE MINISTRY OF THE CHURCH

THE METROPOLITAN BISHOP

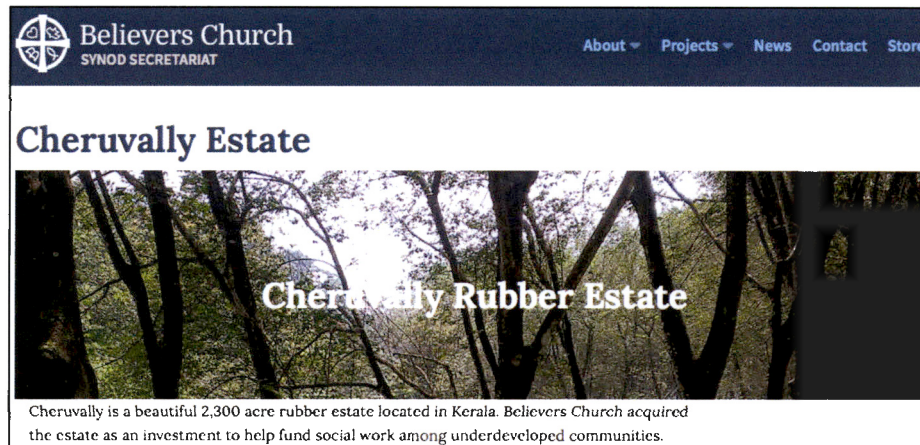
- 1) The Metropolitan Bishop (hereinafter referred as the Metropolitan) shall be the supreme ecclesiastical and constitutional Head and final authority on all matters of the Believers Church under the Lordship of Jesus Christ, **THE HEAD** of the Church. The Metropolitan of the Church shall be constitutionally known and addressed, “His Grace The Most Reverend” with the name that is otherwise officially known.

From the Believers Church 2009 Constitution. See <http://www.patheos.com/blogs/warrenthrockmorton/2015/10/20/believers-church-constitution-contradicts-k-p-yohannans-claim-that-he-has-no-legal-authority-in-indian-church/> (last accessed February 1, 2016).¹⁷

¹⁷ *See also* Believers Church’s own reference to its Constitution at <http://www.believerschurch.com/about/> (last accessed February 1, 2016).

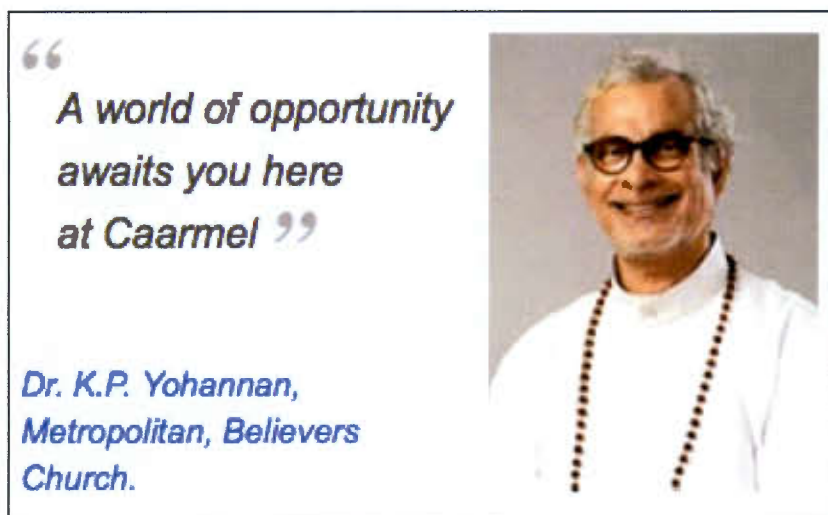
38. Yohannan created Believers Church in 2003. From 2003 through 2014, GFA solicited and collected approximately \$700,000,000 from U.S. donors. During this period, Believers Church bought and operated the following:

(1) a 2,300-acre for-profit rubber plantation, the Cheruvally Rubber Estate, in Kerala, India, shown in the following screenshot:



From the Believers Church website. See <http://www.believerschurch.com/cheruvally-estate/> (last accessed February 2, 2016).

(2) Caarmel Engineering College, a for-profit undergraduate institute in Kerala, India, of which K.P. Yohannan is the “patron” as shown on the College’s homepage as referenced in the following screenshot:



From the Caarmel Engineering College homepage. See www.bccaarmel.ac.in (last accessed on February 2, 2016).



Believers Church Caarmel Engineering College in Kerala, India. See <http://www.bccaarmel.ac.in/default.asp> (last accessed February 5, 2016).

(3) Believers Church Medical College Hospital, a for-profit, 500-bed teaching hospital established in Kerala in 2014, of which K.P. Yohannan is the “patron,” as shown

in the following screenshot:

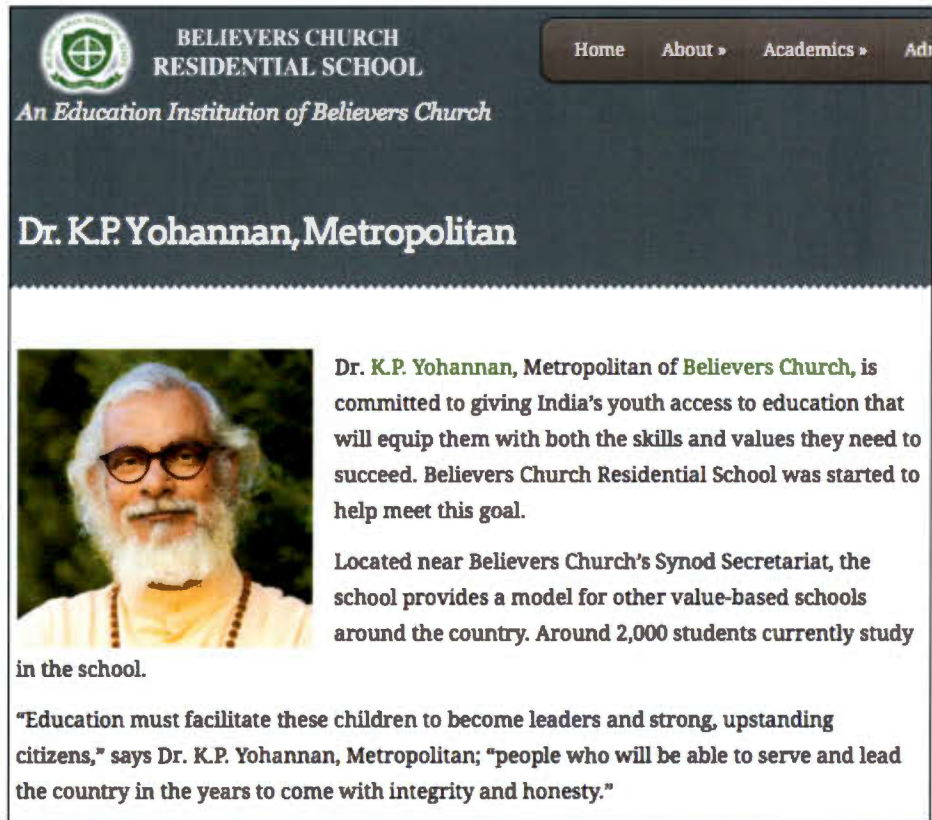


From the Believers Church Medical College Hospital homepage. See www.bcmch.org (last accessed February 2, 2016).



Believers Church Medical College Hospital in Kerala, India. See <http://www.bcmch.org> (last accessed February 5, 2016).

(4) At least six for-profit primary schools in Kerala, India, for which K.P. Yohannan is patron, shown in the following screenshot:



From the Believers Church Residential School website. See www.bcrschool.org (last accessed February 2, 2016).



Believers Church Residential School in Kerala, India. See <http://www.bcrschool.org/about/> (last accessed February 5, 2016).

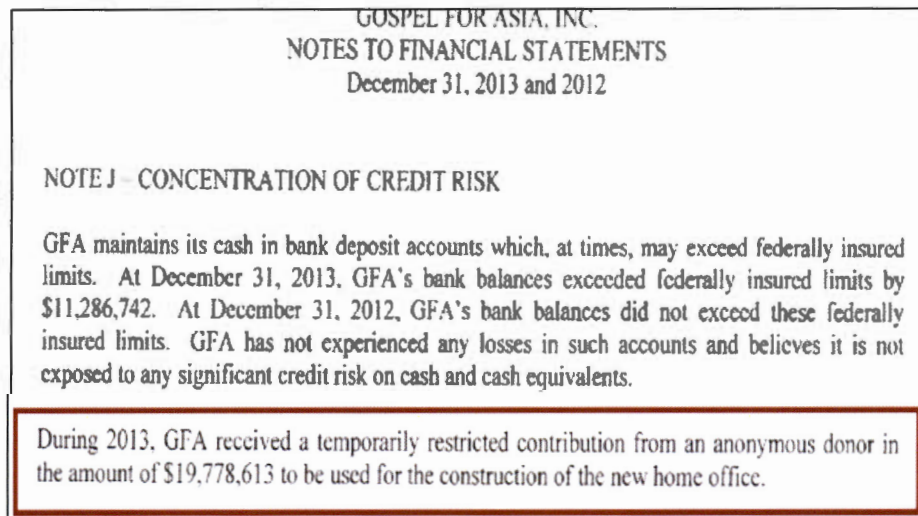
(5) Sponsorship of a football (soccer) club playing the Myanmar National League.

Here is the team badge:



*See <http://www.datasportsgroup.com/images/clubs/200x200/11780.png>
(last accessed February 3, 2016).*

39. In 2010, GFA purchased land and began constructing a state-of-the-art, \$45 million compound in Wills Point, Texas. GFA initially claimed, and presented as true through the financial documents of its auditing firm, that a \$20 million anonymous donation was received for the development of the 350-acre plot of land on which the compound now sits, as the following excerpt shows:



Excerpt from a 2013 audit of GFA done by Dallas accountancy Bland Garvey. Exhibit 7 hereto.

40. In fact, the \$20 million used to develop the land in Wills Point had come to GFA from GFA-India, on the direction of Believers Church. Specifically, that \$20 million came from the cash reserves of GFA-India, which consisted of donations to GFA solicited under the promise of GFA's 100% to-the-field guarantee and subject to the designations of donors. Thus, money donated from the United States designated for specific charitable purposes in "the Field" in fact was spent in the United States to develop the Wills Point compound.

41. GFA is now headquartered in a 350-acre compound, including a massive headquarters building, a multi-million dollar chapel, and 80+ single-family residences for members of the GFA religious order. Ironically, K.P. Yohannan once wrote about church construction in the United States (in his "Revolution in World Missions" book, at p. 47) thusly: "These extravagant [church] buildings are insanity from a Two-Thirds World perspective. The \$74 million spent on one new building in the United States could build thousands of average-sized churches in South Asia. The same \$74 million would be enough to guarantee that the Good News of Jesus Christ could be proclaimed to a whole Indian state—or even some of the smaller countries of Asia."



GFA's new Headquarters building, designed by HH Architects. See <http://www.patheos.com/blogs/warrenthrockmorton/2015/08/28/question-for-gospel-for-asia-how-many-indian-churches-would-45-million-build/> (last accessed February 2, 2016).

V. INDIVIDUAL ALLEGATIONS

42. Plaintiffs Garland D. Murphy, III, M.D. and Phyllis A. Murphy made several donations to GFA over the course of several years. They made each such donation only after learning of GFA's guarantee that it would apply 100% of every donation exactly as the Murphys designated.

43. For example, on December 29, 2012, the Murphys decided to donate \$225 to GFA's "Widows and Abandoned Children" fund. The Murphys viewed a webpage on GFA's website discussing the "Widows and Abandoned Children" fund.

In South Asian culture, most widows are seen as a curse and shunned from society. Depending on the circumstances, they're often ignored by even their close relatives.

Abandoned children also face extremely difficult conditions. On their own, they search for food in waste dumps and make their homes with trash and rubble.

Their Situation Can Improve

Your donation will provide Gospel for Asia-supported missionaries with the means to help these precious women and children of God.

Your gift will also give them the chance to hear about their Creator and a Savior that loves them so much that he died for their sins.

Know You Made a Difference

By giving to the widows and abandoned children of South Asia, you ensure that they're taken care of and shown love.

Continue this week knowing your action has truly made a difference.

Watch a video about a woman named Geeta. This video will help you better understand the plight of widows and children in South Asia.

Give to Widows and Abandoned Children



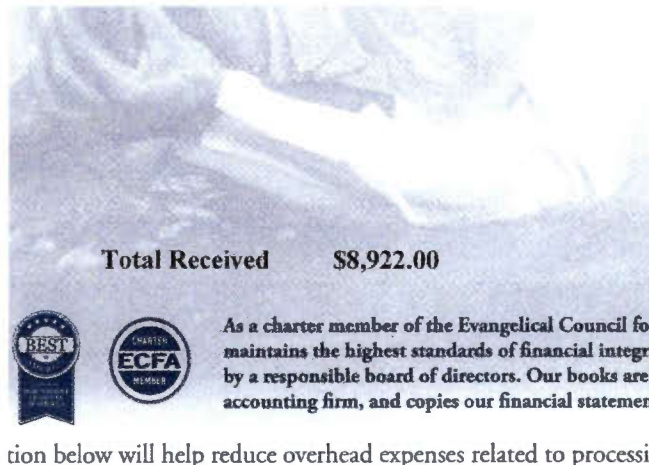
The webpage for the "Widows and Abandoned Children" fund at GFA.org (as it appeared in December, 2012). See <https://web.archive.org/web/20121105040732/http://www.gfa.org/ministries/widows-abandoned-children/> (last accessed February 6, 2017).

44. On December 29, 2012, with the understanding that GFA would apply 100% of their \$225 donation to the "Widows and Abandoned Children" fund in the Field, the Murphys made the donation through GFA's website. GFA provided the Murphys with a receipt (Exhibit 4 hereto) reciting the GFA 100% guarantee and noting that \$605 in donations, presumably including the December 29 donation, was designated to the "Widows and Abandoned Children" fund.

Account Activity January 02, 2012 - December 31, 2012

Date	Code	Description	Amount
Summary	4000	10 National Missionary gifts	\$390.00
Summary	1040105579	156 Bridge of Hope gifts	\$5,677.00
Summary	1003	2 Bio Sand Water Filters gifts	\$120.00
Summary	1102	4 GFA Bible Society gifts	\$620.00
Summary	4030	4 Widows and Abandoned Children gifts	\$605.00

The Murphys' 2012 Annual Receipt documenting their gifts to GFA's "Widows and Abandoned Children" fund. Exhibit 4 hereto.






All contributions to Gospel for Asia are income tax deductible to the extent allowed by law, and are made with the understanding that GFA has complete discretion and control over the use of all donated funds. However, we are committed to apply your gifts according to your preferences.

Other than reflected on this statement, no goods or services, in part or in whole, were provided in exchange for these gifts.

The value of non-cash donations are not included in this statement.

Total Received \$8,922.00

  As a charter member of the Evangelical Council for Financial Accountability (ECFA), GFA maintains the highest standards of financial integrity and Christian ethics, and is governed by a responsible board of directors. Our books are audited annually by an independent accounting firm, and copies our financial statements are available upon request.

 One hundred percent of all contributions given for use on the mission field are sent to the mission field.

tion below will help reduce overhead expenses related to processing gifts.

The 2012 Annual Receipt the Murphys received from GFA, bearing the GFA 100% Guarantee, a statement that GFA is "committed to apply your gifts according to your preferences," and the ECFA and ICA seals of approval and assurances thereby (valid at the time this receipt was issued). Exhibit 4 hereto.

45. Every single donation the Murphys made to GFA was made only with the understanding, based entirely on Defendants' representations, that 100% of the donation would be applied exactly as designated by the Murphys. As detailed above, however, Defendants misdirected money the Murphys donated to GFA to purposes the Murphys

did not designate. Had the Murphys known that Defendants would not apply 100% of every donation exactly as they designated, they would not have donated to GFA.

VI. CLASS ALLEGATIONS

46. Plaintiffs seek to represent the following Class:

All persons in the United States who donated money to GFA within the applicable statutes of limitations. Excluded from the Class are Defendants and their subsidiaries and affiliates; all persons who make a timely election to be excluded from the Class; governmental entities; and the Judge to whom this case is assigned and his/her immediate family.

Plaintiffs reserve the right to revise the Class definition based upon information learned through discovery.

47. Certification of Plaintiffs' claims for class-wide treatment is appropriate because Plaintiffs can prove the elements of their claims on a class-wide basis using the same evidence as would be used to prove those elements in individual actions alleging the same claims.

48. This action has been brought and may be properly maintained on behalf of the Class proposed herein under Federal Rule of Civil Procedure 23.

49. Numerosity. Federal Rule of Civil Procedure 23(a)(1): The members of the Class are so numerous and geographically dispersed that individual joinder of all Class members is impracticable. While Plaintiffs are informed and believe that there are not less than tens of thousands of members of the Class, the precise number of Class members is unknown to Plaintiffs, but may be ascertained from Defendants' books and records. Class members may be notified of the pendency of this action by recognized,

Court-approved notice dissemination methods, which may include U.S. mail, electronic mail, Internet postings, and/or published notice.

50. Commonality and Predominance. Federal Rule of Civil Procedure 23(a)(2) and 23(b)(3): This action involves common questions of law and fact, which predominate over any questions affecting individual Class members, including, without limitation:

- a) Whether Defendants engaged in the conduct alleged herein;
- b) Whether Defendants' conduct violates RICO, consumer protection statutes, and other laws as asserted herein;
- c) Whether Plaintiffs and the other Class members are entitled to equitable relief, including, but not limited to, restitution or injunctive relief; and
- d) Whether Plaintiffs and the other Class members are entitled to damages and other monetary relief and, if so, in what amount.

51. Typicality. Federal Rule of Civil Procedure 23(a)(3): Plaintiffs' claims are typical of the other Class members' claims because, among other things, all Class members were comparably injured through Defendants' wrongful conduct as described above.

52. Adequacy. Federal Rule of Civil Procedure 23(a)(4): Plaintiffs are adequate Class representatives because their interests do not conflict with the interests of the other members of the Class they seek to represent; Plaintiffs have retained counsel competent and experienced in complex class action litigation; and Plaintiffs intend to prosecute this action vigorously. The interests of the Class will be fairly and adequately protected by Plaintiffs and their counsel.

53. Declaratory and Injunctive Relief. Federal Rule of Civil Procedure 23(b)(2): Defendants have acted or refused to act on grounds generally applicable to Plaintiffs and the other members of the Class, thereby making appropriate final injunctive relief and declaratory relief, as described below, with respect to the Class as a whole.

54. Superiority. Federal Rule of Civil Procedure 23(b)(3): A class action is superior to any other available means for the fair and efficient adjudication of this controversy, and no unusual difficulties are likely to be encountered in the management of this class action. The damages or other financial detriment suffered by Plaintiffs and the other Class members are relatively small compared to the burden and expense that would be required to individually litigate their claims against Defendants, so it would be impracticable for Class members to individually seek redress for Defendants' wrongful conduct. Even if Class members could afford individual litigation, the court system could not. Individualized litigation creates a potential for inconsistent or contradictory judgments, and increases the delay and expense to all parties and the court system. By contrast, the class action device presents far fewer management difficulties, and provides the benefits of single adjudication, economy of scale, and comprehensive supervision by a single court.

COUNT I
VIOLATIONS OF THE RACKETEER INFLUENCED AND CORRUPT
ORGANIZATIONS ACT
18 U.S.C. §§ 1961-1968

55. Plaintiffs reallege and incorporate by reference all paragraphs as though fully set forth herein.

56. Defendant Gospel for Asia, Inc. is an enterprise engaged in and whose

activities affect interstate commerce. Defendants Gospel for Asia-International, K.P. Yohannan, Gisela Punnose, Daniel Punnose, Carroll, and Emerick are employed by or associated with the enterprise.

57. As described in detail in the factual allegations above, Defendants agreed to and did conduct and participate in the conduct of the enterprise's affairs through a pattern of racketeering activity and for the unlawful purpose of intentionally defrauding Plaintiffs and the Class. Defendants intentionally made materially false representations to Plaintiffs and the members of the Class that resulted in their contributions of money for charitable purposes to their detriment.

58. Pursuant to and in furtherance of the fraudulent scheme, on multiple, continuous occasions over the course of several years, Defendants used the United States mails, the internet, radio, and made multiple interstate telephone calls to solicit Plaintiffs and the other members of the Class, and to receive contributions of money from Plaintiffs and the other members of the Class.

59. Defendants have therefore committed multiple instances of mail fraud under 18 U.S.C. § 1341 and wire fraud under 18 U.S.C. § 1343, continuously over the course of several years.

60. These acts, as described in detail in the factual allegations above, constitute a pattern of racketeering activity pursuant to 18 U.S.C. § 1961(5). Defendants, through the above-described acts, directly and indirectly conducted and participated in the conduct of the enterprise's affairs through the pattern of racketeering activity, in violation of 18 U.S.C. § 1962(c). Defendants' practices and commissions of mail fraud are all related, as described in detail above, extend over a substantial period of time

spanning several years, and pose a threat of continued unlawful and criminal activity.

61. As a direct and proximate result of Defendants' racketeering activities and violations of 18 U.S.C. § 1962(c), Plaintiffs and the members of the Class have been injured in their business and property in the amounts of the monies they donated, and the Defendants are liable to Plaintiffs and the members of the Class, jointly and severally, for all actual damage caused in an amount to be proved at trial, trebled pursuant to 18 U.S.C. § 1964(c).

COUNT II FRAUD

62. Plaintiffs reallege and incorporate by reference all paragraphs as though fully set forth herein.

63. As described in detail in the factual allegations above, Defendants made false representations to Plaintiffs and the members of the Class that contributions solicited for charitable purposes shall be spent in a specific manner or for specified purposes. Defendants intentionally denied Plaintiffs and the other Class members information that is highly relevant to their decision to contribute money for charitable purposes, in particular the material information that significant portions of each contribution would not be spent by Defendants as specified by Plaintiffs and the other Class members. If Defendants had fully disclosed to Plaintiffs and the Class that their contributions would not be spent as they specified, Plaintiffs and the members of the Class would not have made the contributions.

64. Defendants knew their representations were false when made.

65. Defendants intentionally made the false representations in order to induce

Plaintiffs and the members of the Class to contribute money, and Plaintiffs and the members of the Class reasonably contributed money as a result.

66. Plaintiffs and the other Class members have as a result been injured in an amount to be proved at trial.

67. Defendants' conduct was knowing, intentional, demonstrated a complete lack of care, or was in reckless disregard for the rights of Plaintiff and the other Class members.

68. Plaintiffs and the other Class members are therefore entitled to an award of punitive damages.

COUNT III
VIOLATIONS OF THE ARKANSAS DECEPTIVE TRADE PRACTICES ACT
Ark. Code Ann. §§ 4-88-101, *et seq.*

69. Plaintiffs reallege and incorporate by reference all paragraphs as though fully set forth herein.

70. Plaintiffs have standing to pursue this claim under Ark. Code Ann. § 4-88-113(f).

71. As described in detail in the factual allegations above, Defendants made false representations to Plaintiffs and the members of the Class that contributions solicited for charitable purposes shall be spent in a specific manner or for specified purposes, in direct violation of Ark. Code Ann. § 4-88-107(a)(7).

72. Defendants' false representations were materially misleading to Plaintiffs and the Class in that they resulted in Plaintiffs and the Class contributing money that they otherwise would not have contributed.

73. As a direct result of Defendants' false representations, Plaintiffs and the Class have been injured by the Defendants, jointly and severally, in an amount to be proved at trial.

COUNT IV UNJUST ENRICHMENT

74. Plaintiffs reallege and incorporate by reference all paragraphs as though fully set forth herein.

75. As described in detail in the factual allegations above, Defendants intentionally made materially false representations to Plaintiffs and the members of the Class that resulted in their contributions of money for charitable purposes to their detriment.

76. Under these circumstances as described in detail above, Defendants have received money from Plaintiffs and the members of the Class that Defendants, in equity and good conscience, ought not retain.

77. As a result, Defendants are liable in restitution to Plaintiffs and the members of the Class to disgorge and remit to Plaintiffs and the Class all monies contributed, in an amount to be proved at trial.

REQUEST FOR RELIEF

WHEREFORE, Plaintiffs, individually and on behalf of members of the Class, respectfully request that the Court enter judgment in their favor and against Defendants, as follows:

A. Certification of the proposed Class, including appointment of Plaintiffs'

counsel as Class Counsel;

B. An order temporarily and permanently enjoining Defendants from continuing the unlawful, deceptive, fraudulent, and unfair practices alleged in this Complaint;

C. Costs, restitution, damages, including punitive damages, and disgorgement in an amount to be determined at trial;

D. An order requiring Defendants to pay both pre- and post-judgment interest on any amounts awarded;

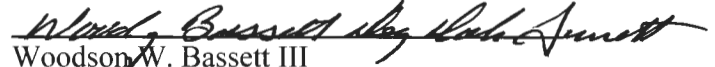
E. An award of costs and attorneys' fees; and

F. Such other or further relief as may be appropriate.

DEMAND FOR JURY TRIAL

Plaintiffs hereby demand a jury trial.

DATED this 16th day of February, 2017. Respectfully submitted,



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Counsel for Plaintiffs and the Class

EXHIBIT 1



Enhancing Trust

Evangelical Council for Financial Accountability

440 West Jubal Early Drive, Suite 100 • Winchester, VA 22601

September 2, 2015

Dr. K. P. Yohannan, President
Gospel for Asia
1800 Golden Trail Ct
Carrollton, TX 75010-4649

Dear Dr. Yohannan,

We have been in conversation with Gospel for Asia (GFA) representatives since May 6, 2015 regarding various allegations relating to ECFA Standards, including conducting an on-site visit on June 3, meetings with David Carroll and you in our office on July 1 and at Dulles Airport on July 27, and a meeting with David, Danny Yohannan, and Teresa Chupp in Winchester on August 12, 2015, plus numerous communications by phone and email.

The following is a summary of the most significant GFA compliance issues we reviewed:

1. **Use of field-generated funds to satisfy designated foreign contributions.** During our meeting on July 1, ECFA first learned that GFA and its field partners have engaged in a multi-year practice whereby field partners at least partially satisfied the designations on foreign contributions (primarily from U.S. donors, restricted for field use in India) by using locally generated field income (contributions from donors in India, profits from an India-based rubber plantation, hospitals, etc.).

GFA staff indicated that the purpose of this practice was to retain foreign contributions in Indian Foreign Contribution (FC) accounts to earn a higher interest rate while expending locally generated funds that would not earn the higher interest rate. At this point, it is important to note that GFA disclaims that it exercises any control over field partners (see #10 below).

GFA staff also indicated that amounts in FC accounts would be used eventually for their original designation, as well, with the ultimate result that the purpose of the foreign contributions would be more than fulfilled.

To be clear, GFA solicited funds from donors, primarily gifts with donor restrictions, and transferred the funds to field partners in India, depositing them in FC accounts. While certain amounts were expended from the FC accounts in fulfillment of donor designations, significant amounts were retained in FC accounts over a period of years (see #2 below).

ECFA staff observed to GFA that it is not a normative practice to hold donor-restricted gifts and fulfill donor restrictions using other funds. Especially with respect to funds sent to

Dr. K. P. Yohannan
September 2, 2015
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international partners, it is extremely difficult for GFA to demonstrate that it has exercised appropriate control of the funds. Further, ECFA observed that this practice may not comply with ECFA Standard 7.2 because of the lack of clarity regarding the satisfaction of donor restrictions on gifts solicited by and given to GFA.

Our review of the board minutes did not indicate the GFA board had approved, or even been notified of, the practice of using field generated funds to satisfy restrictions on foreign contributions.

Subsequent to ECFA learning of this practice on July 1, GFA represented to ECFA that GFA's field partners have ceased the practice of satisfying the designation on foreign contributions with field-generated funds.

2. **Excessive cash balances held in partner field accounts.** Allegations were made that GFA had upwards of \$150 million in partner field accounts, far more than necessary to provide appropriate operating reserves. During our visit on June 3, ECFA was informed that GFA field partner cash reserves were approximately \$7 million. After ECFA requested detailed documentation of cash balances held by foreign field offices, on June 29, we discovered that GFA's field partners had \$259,437,098 on hand at March 31, 2014 and approximately \$186 million in June 2015.

ECFA staff questioned the appropriateness of the high levels of cash being held in partner field accounts. We were told that GFA partners felt it was important to maintain the high balances in case the Indian government decided to block funds being transferred into the country.

The source of the balances was primarily from donor-restricted gifts to GFA, often raised in response to gift solicitations that communicated urgent field needs (see #4 below). ECFA staff expressed concern that the high reserves may not comply with ECFA Standards 4 and 7.1. Subsequent to our conversation on this matter on July 27, GFA provided ECFA with a plan to reduce partner field account reserves to \$72 Million, and then amended the plan on August 27 to reduce reserves down to \$11 Million. Again, GFA staff disclaimed that GFA exercises any control over field partners (see #10 below).

In our meeting on July 1, ECFA staff asked you what the GFA board would think if they knew of the high balances in partner field accounts. You indicated that neither the board nor you were aware of the magnitude of the balances. You responded, "They would be as surprised as I am." Subsequently, the GFA board was notified, during their July 13 board meeting, of the balances held by field partners.

3. **Delay in sending funds to the field.** It was not until the meeting on August 12 that we learned that \$47,898,342, or approximately 82%, of gifts received by GFA in 2014 designated for India were not sent to the field until the last two days of the calendar year. To be clear, nearly \$50 million of gifts were raised from January to December, with only modest amounts sent to the field until the end of the year.

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ECFA staff expressed concern over failing to send gifts to the field on a timely basis, raising compliance issues under ECFA Standards 4, 7.1, and 7.2, particularly given the urgent nature of many GFA gift solicitations. Subsequent to this discovery, GFA staff indicated that field partners requested the delay of sending the funds to the field due to challenges in transmitting funds into India. ECFA could not confirm if the delay in transferring the funds was justified.

Based on ECFA's review of GFA's internal financial statements as of June 30, 2015, GFA had a cash balance of \$28,338,841 in funds designated for foreign field partners, or more than the total of all funds received for the field in the first half of 2015. In other words, the practice of sending funds to the field on a significantly delayed basis was not only followed for 2014 but also during the first half of 2015.

GFA staff informed ECFA on August 12 that part of the cash balances held by GFA on June 30 were transferred to field partners during the month of July. On August 21, GFA staff indicated there is now a plan to send funds to field partners on the 15th of each month.

When ECFA staff asked if the board was apprised of the delays in transferring funds to the field, GFA staff indicated the board was informed of this fact because the board received periodic financial statements. However, the internal financial statements erroneously reflected field funds as a liability and as an expense immediately upon receiving the funds. Thus, it would have been very difficult for the board to learn of the delays in sending funds to the field because the interim financial statements indicated the funds had been sent to the field when they had not. Therefore, ECFA found no indication that the board had approved, or even been clearly informed, of the questionable practice of delaying sending funds to the field.

4. **The level of urgency communicated in GFA donor appeals contrasted with reserves held by foreign field partners and delays in sending funds to the field.** In light of the significant cash balances held by field partners and the delay in sending funds to the field, ECFA staff raised concerns about the appropriateness of communicating urgency in many donor appeals. This includes appeals indicating "When we share with you about the urgency to reach the untold, lost millions—and the opportunities to win them to Jesus—it is not done to produce feelings of guilt or manipulate." One appeal we reviewed indicated "One blanket, like the one Hetaksh received, will literally make the difference between life and death for them and especially for their small children and elderly relatives."

The delay between when a donor gives a gift and when the funds are actually made available for designated purposes on the field is inconsistent with the level of urgency in many appeals and the timeliness of using donor-restricted funds as required by ECFA Standards 7.1 and 7.2. On August 12, GFA staff indicated that despite the delay in making foreign contributions available to carry out programmatic work, at least some designated funds were disbursed on a timely basis through the use of field-generated income.

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Our review of the board minutes did not indicate the GFA board had approved, or even been notified, of GFA's practice of soliciting funds based on urgency with a corresponding delay in disbursing funds to the field.

5. **Lack of discretion and control over funds granted to foreign entities.** During our review on June 3, ECFA staff raised questions regarding GFA's oversight and control of funds sent to foreign field partners. GFA's staff indicated that the foreign field partners are completely independent organizations and therefore GFA did not exercise any direct control over field partners. GFA staff also indicated that they did not have a foreign grant process in place to oversee the use of funds.

Given legal requirements on tax-exempt entities to have appropriate discretion and control over the use of funds sent to foreign entities, ECFA staff indicated that GFA's lack of a grant process appears to violate ECFA Standard 4's requirement to follow applicable laws. Subsequent to these conversations, on August 21, GFA staff indicated a new foreign grant process was developed with the assistance of its new audit firm and will be in effect as of September 1, 2015.

Our review of the board minutes did not indicate the GFA board had approved, or even been notified, of GFA's minimal oversight of funds provided to field partners.

6. **GFA solicits funds for narrower purposes than the eventual expenditure of the funds.** During ECFA's review on August 12, GFA staff provided a document to demonstrate the flow of funds from GFA to field partners. ECFA learned that donor-restricted donations are appropriately tracked by particular revenue classifications. However, we also discovered, and it was confirmed by GFA staff, that the disbursement of the gifts are tracked in much broader categories. For example, donations were received and tracked for 38 different specific items including kerosene lanterns, bio sand filters, chickens, manual sewing machines, blankets, bicycle rickshaws, and others, but related expenses were only tracked as "community development." In other words, donations were raised for 38 specific items, with the donations pooled for expenditure purposes instead of expending them specifically for the purposes raised.

ECFA did not find any evidence that donors to the 38 different giving categories had awareness that their gifts were grouped and used in a broader category than the specific categories in which the gifts were raised. ECFA's staff raised concerns regarding GFA's compliance with ECFA Standard 4, 7.1, and 7.2 in raising funds for a particular purpose but then failing to document the actual use of those funds by the particular donor-restricted purpose.

Subsequent to this conversation, on August 16, GFA staff indicated that GFA field partners will begin tracking expenditures by specific item accounts to provide adequate transparency as to the use of designated funds.

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Our review of the board minutes did not indicate the GFA board had approved, or even been notified, that gifts solicited for very specific purposes were not being expended with the same specificity as the gifts were raised.

7. **GFA's financial statements do not appropriately report transactions with foreign partners.** During our review on June 3, GFA staff indicated that funds transferred to GFA India were actually transferred to a number of related entities instead of the single entity reflected in the 2013 audited financial statements. Additionally, on August 24 we learned that GFA received a \$19,778,613 donation from GFA India, which was classified as a related party elsewhere on the 2013 audited financial statements (also see #8 below).

On August 27, GFA staff confirmed that this donation was neither disclosed in the footnotes of the 2013 financial statements as a related-party transaction nor to the GFA board of directors. This inconsistency within the financial statements and lack of disclosure to the GFA board of directors about a significant related-party transaction appears to violate ECFA Standards 2, 3, and 6. On July 20, ECFA was informed that GFA engaged a new audit firm and they are in the process of reviewing related-party transactions.

8. **Use of funds restricted for the field for other purposes.** On June 3, ECFA discussed GFA's claim that 100 percent of field funds are sent and used in the field. GFA staff confirmed that this was accurate.

On August 24, ECFA was informed that GFA India made a gift to GFA of \$19,778,613 in 2013 to complete GFA's new office. On August 27, GFA's staff confirmed that the funds relating to this donation were originally received by GFA as gifts restricted for the field and GFA transferred to field partners to fulfill donor restrictions.

Two important issues are raised:

- A. Reallocating gifts donated for field purposes and using them to pay for headquarters construction appears to be a violation of ECFA's Standards 7.2. GFA staff stated in a recorded GFA staff meeting that you approached the field partner and explained that GFA could borrow the funds in the U.S., at less than desirable terms, for the headquarters construction. However, a gift from the field partner, in lieu of GFA borrowing the funds, would allow GFA to complete the new headquarters and thereby save interest. Therefore, GFA would be able to send more money to the field in future years.

ECFA believes that the potential savings resulting from the GFA India gift is an inadequate basis to reallocate gifts donated for field purposes.

- B. Reallocating gifts donated for field purposes contradicts GFA's claim that 100 percent of funds are sent to the field. In fact, a significant amount of donations restricted for the field made a circuitous trip back to GFA and were used for the headquarters construction, as though they had never gone to the field. This appears to be a violation of Standard 7.1.

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In a GFA staff meeting, GFA indicated the field partner took out a loan to cover the use of the \$19,778,613 gift and GFA staff confirmed on August 27 that India-generated income was used to repay the loan.

Our review of the board minutes did not indicate the GFA board had approved, or even been notified, of the \$19,778,613 reallocation of donor-restricted gifts.

9. **GFA's financial statements presentation of restricted funds.** On August 12, it was noted that GFA reported accrued field support on its 2013 audited financial statements as a liability instead of classifying those funds as temporarily restricted net assets. This appears to be a departure from Generally Accepted Accounting Principals (GAAP) as required by ECFA Standard 3. GFA staff has confirmed that this matter was also highlighted by GFA's new audit firm as a departure from GAAP and will be corrected on the 2014 audited financial statements.
10. **GFA's control with respect to field partners.** At several points in our review, GFA staff has disclaimed any control over field partners, including Believer's Church in India, which oversees all other field partners. Whether GFA has control or does not have control over its field partners has a significant relationship to a number of issues, including disclosures of related-party transactions in the audited financial statements, oversight of the use of resources of field partners, board approval of related-party transactions, and truthfulness in communications. Additionally, this control issue appears to relate to GFA's compliance with ECFA Standards 3, 4, 6, and 7.1.

On August 21, GFA's staff stated that your responsibilities and powers as the Metropolitan Bishop of Believer's Church, as included in the Believer's Church Constitution adopted February 6, 2003, include the following:

- "1. The Metropolitan Bishop is the spiritual head and chief shepherd of the Believer's Church, under the Lordship of Jesus Christ, THE HEAD of the church."
- "4. He provides directions to the Bishops, pastors and all other church workers on all matters and in regard to the spiritual life and mission of the Church."
- "5. The Metropolitan is responsible to give general and pastoral oversight of all members, Pastors, Priests and Church works and the Spiritual activities of that Church."
- "10. He appoints Bishops according the Constitution."
- "12. He functions as the president of the Synod, the Conference of Bishops, General Assembly, institutions, and every other official body of the Church as may be established or constituted from time to time..."

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Therefore, it appears that GFA staff has significant influence on the operations and decisions of GFA field partners. This influence has been evidenced in the announcement of vast revisions in maintaining or spending down cash balances held by field partners, the change in tracking expenditures for consistency with how funds were solicited, and ceasing the use of local funds to partially cover donor restrictions.

Based on this level of oversight and control as well observed during our review, ECFA staff questions whether GFA has a sound basis to disclaim any control over the activities of field partners.

- 11. Failure to report funds hand-carried by trip participants.** ECFA received concerns regarding GFA's lack of disclosure with the U.S. Department of Homeland Security regarding a total of \$287,500 of cash sent with trip participants that exceeded federal mandatory reporting during the years 2013, 2014, and 2015. On June 3, ECFA reviewed this issue regarding compliance with ECFA Standard 4. When ECFA staff queried GFA concerning the reason that excessive cash was carried out of the U.S., GFA staff said the practice was used to avoid reporting the incoming cash in India.

ECFA observes that GFA has been transferring approximately \$50 million from the U.S. to India per year. Thus, carrying in a few hundreds of thousands of dollars in cash to avoid reporting in India does not seem to be a sound basis for the practice.

While ECFA cannot conclusively determine if there was a sound basis to carry cash into India, we are clear that there is no justification to disobey U.S. law with respect to reporting cash carried out of the U.S.

On July 20, GFA staff reported the failure to properly disclose cash carried into India during the years 2013, 2014, and 2015 to the Department of Homeland Security. On July 27 and in subsequent meetings, GFA staff indicated that GFA has not received and does not anticipate any further follow-up from the Department of Homeland Security on this matter.

- 12. Failure of the GFA board to exercise adequate governance oversight.** During ECFA's review, there were several significant practices that prompted us to inquire whether the GFA board was aware of such practices. As observed in items #1, 2, 3, 4, 5, 6, and 8 above, GFA board minutes do not indicate board oversight of significant governance matters.

On July 27, you informed ECFA staff that board meetings usually last two to three hours. It is difficult to reconcile these relatively brief board meetings with the board engagement necessary to provide independent oversight of a ministry with the complexity and magnitude of GFA.

These matters raise serious questions regarding GFA's compliance with ECFA Standards 2, 3, and 6, requiring the board to provide independent oversight and governance of the ministry, including the approval of any related-party transactions.

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13. **Source of funds relating to for-profit field operations.** ECFA received concerns alleging inappropriate investment of foreign contributions in India-based for-profit ventures. ECFA reviewed this in regard to GFA's compliance with ECFA Standards 4, 7.1, and 7.2. On June 3, GFA staff indicated that any funds invested in for-profit ventures have been fully sourced from field-generated income and not from foreign contributions.
14. **Child sponsorship fundraising practices differ between GFA and GFA India.** ECFA received concerns regarding differences in fundraising practices for child sponsorship between GFA and GFA India. On June 3 and July 1, ECFA reviewed these concerns in relation to ECFA Standard 7.1. On July 27, GFA staff indicated that there was confusion caused by the fact that while GFA raises funds in a one-to-one ratio in the U.S., GFA India raises sponsorships by securing three sponsors per child, each sponsor covering a third of the costs.
15. **Alleged missing funds according to Indian FC6 forms.** ECFA received allegations that a significant amount of funds were missing based on attempts to reconcile GFA's audited financial statements and field partner's Indian FC6 forms. ECFA reviewed this matter to determine compliance with ECFA Standard 4. On July 20, GFA staff provided ECFA with a reconciliation of these amounts, which reflected a transfer of \$29,300,000 to a GFA India account in Hong Kong. GFA staff reported that this transfer was not required to be reported on Indian FC6 forms and that this amount along with fiscal year timing differences led to the allegations of significant missing funds.
16. **Claims of inappropriate use of funds under an Indian tax assessment.** ECFA received concerns that an Indian Tax Court case indicates that GFA India misused funds for purposes other than what they were intended. ECFA reviewed this matter for compliance with ECFA Standard 4. On July 27, GFA's staff indicated that this matter was a false charge that was later remanded and that GFA India was absolved of any wrongdoing in this matter. GFA's staff was not able to provide any documentation other than reports from field partners on this matter.
17. **GFA's 2015 renewal does not include audited financial statements for the year ended December 31, 2014, as required under Standard 3.** ECFA received a request to extend the due date of the audited financial statements for the year ended December 31, 2014 due to engagement of your new audit firm. Given the nature of the timing and the extenuating circumstances, ECFA staff granted an extension to December 31, 2015 to provide the audit, provided that quarterly financial statements are provided to ECFA within 45 days of each quarter end. To date, GFA's staff has provided all requisite quarterly financial reports.

Finally, we feel compelled to observe our concern, in general, about the following in addition to the above ECFA compliance-related issues:

- Certain information provided to ECFA by GFA that was crucial to our review was, at least initially, inaccurate.

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- Our review process has covered nearly four months. Certain pertinent information about the compliance issues was not revealed to ECFA by GFA until late in the review process.
- We have learned significant information from sources unrelated to GFA that we should have learned directly from GFA.


If you desire to provide a formal response, we respectfully request that response by September 15, 2015. All references in this letter to GFA refer to GFA U.S. unless otherwise identified.

On October 2, 2015, we anticipate the ECFA board of directors will receive and discuss a report from the ECFA staff resulting from the ECFA compliance review of GFA. The board will determine whether any action and, if so, what action, is appropriate regarding GFA's membership with ECFA.

As with previous letters sent to GFA, this letter confirms that a review of GFA's compliance with ECFA Standards is ongoing. Enclosed is a copy of the ECFA Publication of Membership Status Policy affirmed by members via the ECFA Bylaws on each renewal cycle. ECFA's compliance review is focused on ECFA Standards 2, 3, 4, 6, 7.1, and 7.2. A copy of applicable ECFA Standards and the related Commentaries is enclosed with this letter.

Should there be any intervening issues or concerns raised, we request that GFA proactively provide responses on these concerns.

Respectfully,

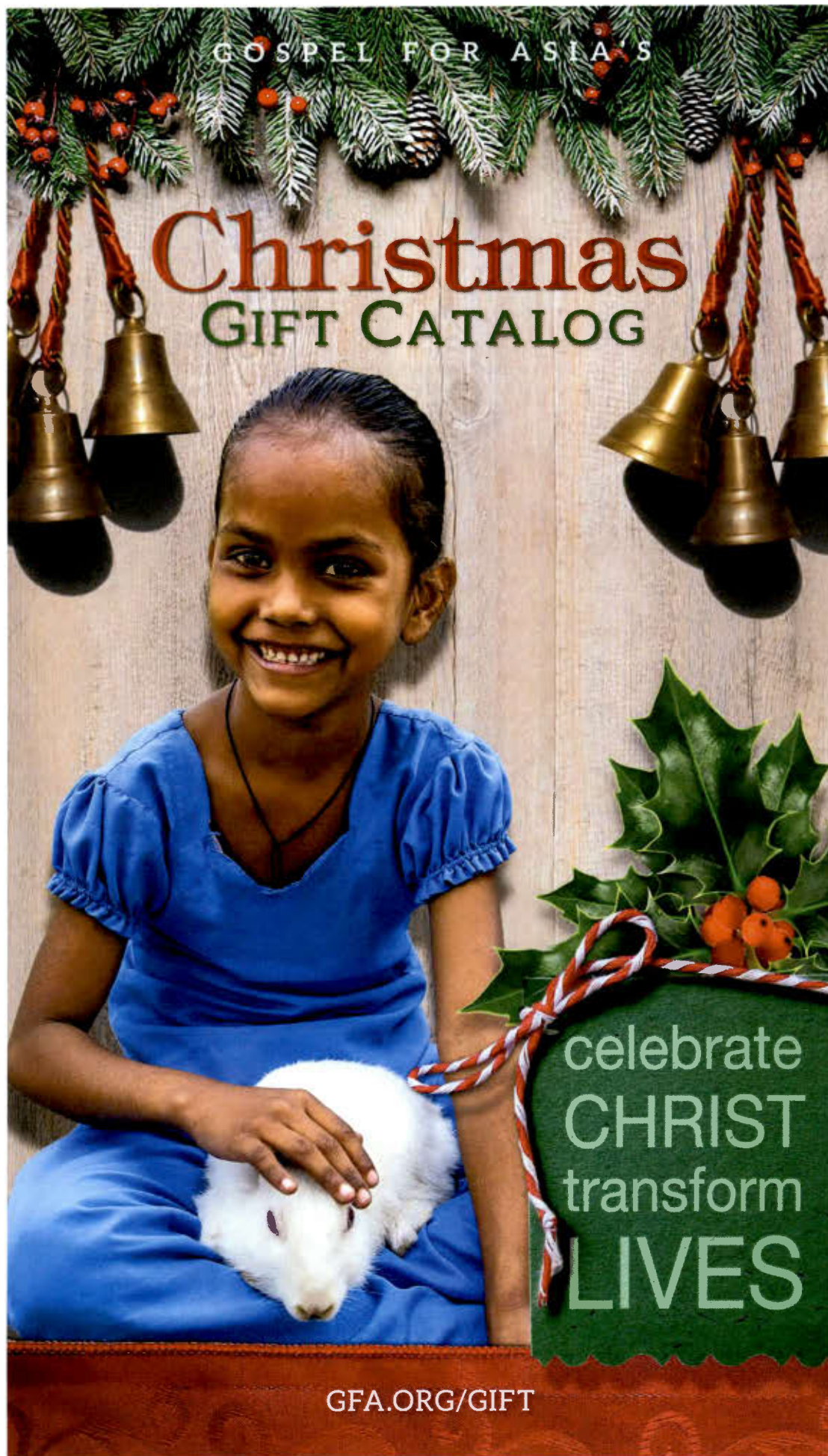


John C. Van Drunen
Executive Vice President

CC: Mr. David Carroll, COO and Mr. Robert Felder, Board Secretary

Enclosures: ECFA Publication of Membership Status Policy
ECFA Standards and Commentaries

EXHIBIT 2



GOSPEL FOR ASIA'S

Christmas

GIFT CATALOG

celebrate
CHRIST
transform
LIVES

GFA.ORG/GIFT

Dear Friend,

The gifts found in this catalog represent much of the ministry of Gospel for Asia—everything from sending national missionaries into unreached villages to giving chickens to needy families. Because recipients of gifts hear about Jesus and then see these expressions of His kindness through His people, the gifts glorify Christ.

What a privilege that our Christmas can be that meaningful!

I hope you sense how much our God has loved us. May our lives sing His praise.

In Him,



K.P. Yohannan

Founder & International Director of Gospel for Asia



Keep Christ at the Center of Your Family's Christmas and Transform Lives!

"I wanted to teach my children that Christmas is about giving, not just receiving. We sat down and looked at all our options, and we wanted to make sure that in our giving, the Good News of Jesus would be shared. My children, 10, 7 and 5, began doing extra jobs and looking for ways to earn money to reach the goal of donating chickens to the needy. They were so excited today to donate the money they earned for chickens and a goat. We prayed over all the money donated and for each recipient of our gifts. We pray that they would not only be blessed but that we will meet them when we see Jesus!" -Jennifer T., Waxahachie, TX

Paavan, Dalaja and their three children live in a remote village, surrounded by hills and jungles. Like most of the village, they worshiped goddesses and nature. Paavan works as a manual laborer, and the family struggled financially. Then they received a goat through Gospel for Asia's *Christmas Gift Catalog*. The family was so moved by the love and compassion they received that they began to attend the local church, which is led by a Gospel for Asia-supported pastor. In church, they heard what Jesus did for them and wanted to know more. Since then, both Paavan and Dalaja have chosen to place their trust in Christ and are now an active part of the local church. In the meantime, their goat has given birth to four more goats, and they've given one of the goats to their church as tithe!



100% of all donations preferenced for use on the mission field is sent to the mission field. Nothing is taken out for administrative expenses.



Photograph by Ashley Moon

Eggs, Milk and Multiplication

For the people of Asia, the gift of chickens provides a chance to earn a steady living. Families sell the eggs or hatch the eggs and sell the chicks. The resulting income helps the family get on their feet financially. The family can also increase their revenue by keeping and raising their chicks. Their two chickens can become four and then eight. Before you know it, they'll have an entire flock on their hands!

Chickens

One pair - \$11
Two pairs - \$22
Five pairs - \$55

-1501

Goats provide plenty of milk for an entire family to drink and sell. The nutritious milk is rich in calcium and other nutrients, keeping families that can't always afford medical care healthy and happy. Plus, the goats are pretty adorable.

Goats

One pair - \$140

-1504

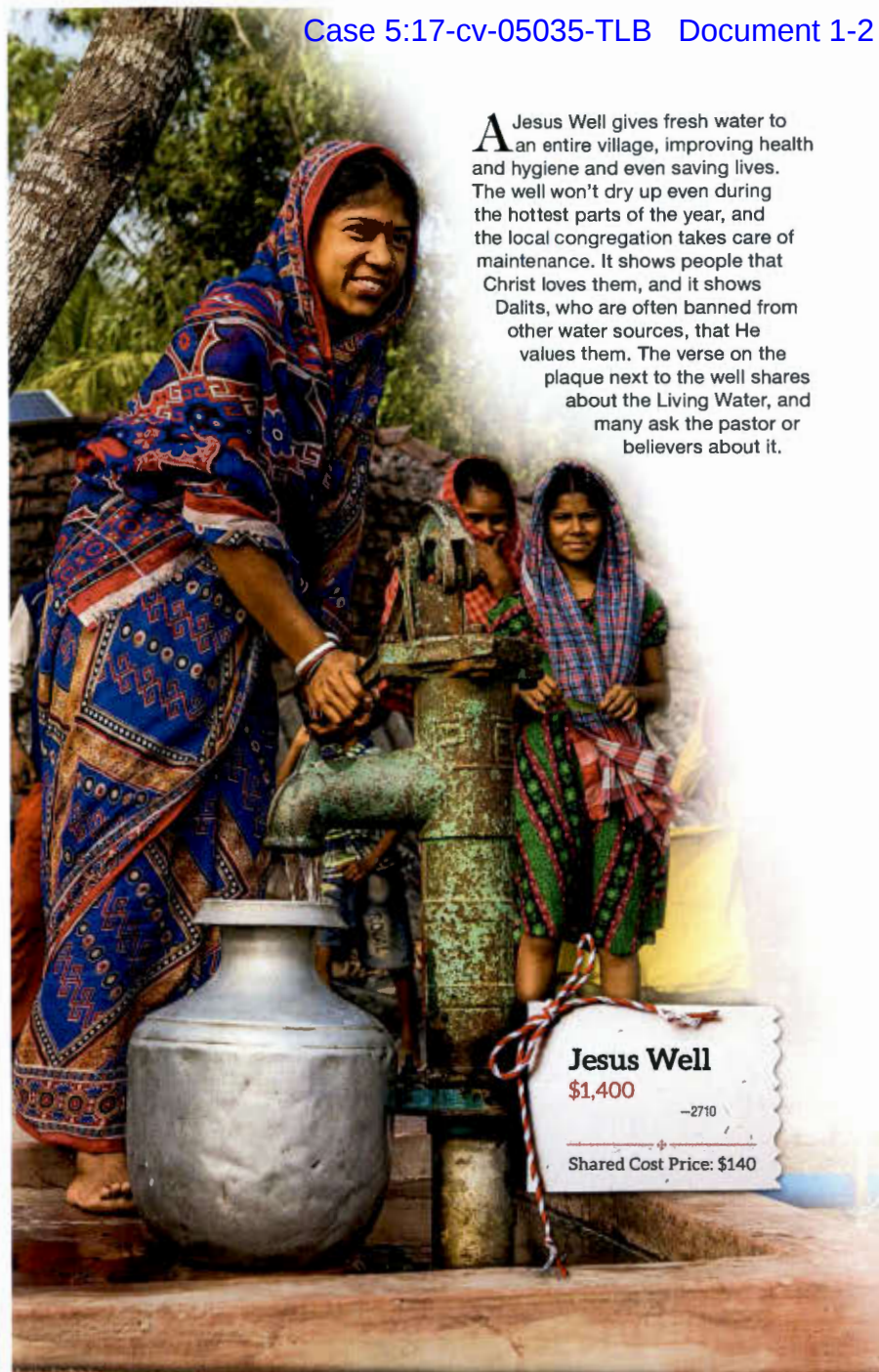
Lamb

\$65

-1506

A sheep's rich milk is an excellent source of calcium and makes delicious cheese. Of course, if the recipient family receives two lambs, those sheep will reproduce, providing even more milk and meat for a needy family.





A Jesus Well gives fresh water to an entire village, improving health and hygiene and even saving lives. The well won't dry up even during the hottest parts of the year, and the local congregation takes care of maintenance. It shows people that Christ loves them, and it shows Dalits, who are often banned from other water sources, that He values them. The verse on the plaque next to the well shares about the Living Water, and many ask the pastor or believers about it.

Jesus Well

\$1,400

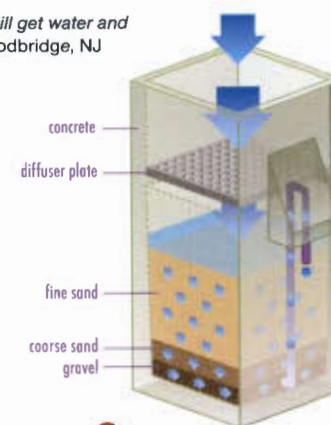
—2710

Shared Cost Price: \$140

Clean Water Changes Their Lives

"I am so happy to know thirsty people will get water and also be ministered to." —Rosario D., Woodbridge, NJ

A BioSand water filter is a tall, cement box that holds layers of gravel and sand. The sand contains microorganisms that eat contaminants. For a family that can only access polluted water sources, a BioSand water filter purifies the dirty water so it's clean enough for drinking, cooking and washing. The clean water will improve the family's health and hygiene and will give them peace of mind—all of which are expressions of Christ's care for them.



BioSand Water Filter

\$30

—1003

"I am thankful to [the people] and also to the God who has given this water filter. And through this, now my family and I are rescued from diseases." —Sachika

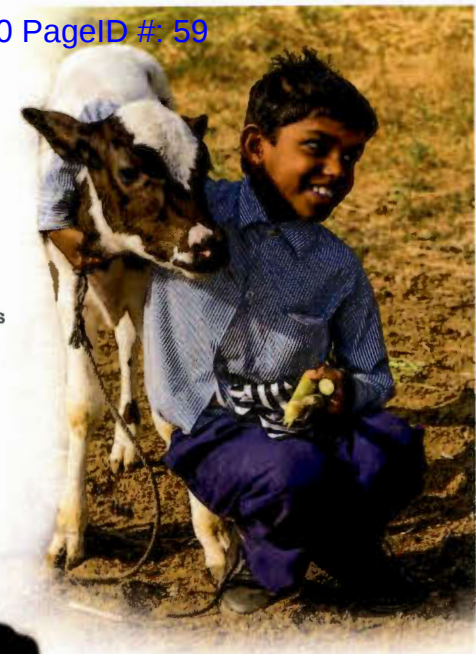


Plow a Field, Haul a Cart, Give Some Milk, Make Some Fuel

In some parts of South Asia, camels are used for everything from plowing to transportation to hauling goods. Camels can carry heavy loads across soft desert sand. They provide milk, and camel wool can even be woven into cloth.



Imagine the joy of a poor husband and wife who are finally able to provide nutritious milk for their children, all because someone donated a cow. The family can also sell the milk—or butter, cheese and yogurt that can be made from it—in the market. When the cow produces calves, they increase the size of the family's herd or can be sold to provide income for other household needs.



"I am very much grateful to those who do not know me, those who have not seen me, yet they loved me and understood our financial difficulties and gave money to buy this cow." —Madhul

Water buffalo are powerful animals that are often used to plow fields. Their dung is also commonly used as fuel and fertilizer. Receiving a water buffalo can even greatly improve a family's financial situation when they sell the liters of milk the animal produces.

Why Choose One? Bless Multiple Families!

The *Barnyard Bundle* includes three pairs of chickens, a pair of goats, a pair of pigs, one lamb and one cow. (Partridge in a pear tree not included!)

"I donate with Gospel for Asia because I know I can trust them to make sure my donation gets to the people in need."
—Samantha H., Orange, TX

**Barnyard
Bundle**
\$678

—1550

—
"I'm really happy after receiving this goat. ... This will help my family a lot." —Geshna
—

Spread Christmas Cheer to Those Waiting to Hear

Want to reach more villages with the Good News? A bicycle will save a national missionary precious time so even more people will get to hear about Jesus.

"Because of the bicycle, I was able to go to far, distant villages and tea estates and do ministry."
—Pastor Dhiraj

Bicycle

\$110

—1010

Motorcycle

\$1,200

—1012

A missionary and a motorcycle make a productive duo. When you've got many distant villages to reach, getting there quickly is crucial!

A Gift to Hundreds of Villages

A heavy-duty vehicle gets to remote, hard-to-reach villages quickly, while it would take a missionary on foot much longer. When the mobile team arrives in a village, they'll join the local Gospel for Asia-supported pastor. Throughout their time in the area, the team and the pastor will drive to each of the surrounding villages to tell them about Jesus' love and show them a film on His life. The vehicle also takes the heavy load of the equipment off the missionaries, who would otherwise be carrying it all themselves. Furthermore, the team of national missionaries and the vehicle give the pastor credibility, which encourages people to listen to his message. Through the gift of a heavy-duty vehicle, many people will find freedom in Christ.

Heavy-Duty Vehicle

\$17,000

—1018

Shared Cost Price: \$170



LCD Projector Kit
\$1,750 —1202
Shared Cost Price: \$175

Go Tell It on the Mountain!

An LCD projector kit enables a film team to show *Man of Mercy*, a South Asian film about the life of Jesus, to crowd after crowd of people in South Asia. Countless people have found freedom in Christ after watching this film. To offer more people the same opportunity, give an LCD projector kit.

How do you show a movie if you're in a village that doesn't have electricity? You bring a generator! This important gift allows film teams to share the love of Jesus through a movie.

A Gospel tract gives someone the opportunity to read the full message of what God did for them—over and over again. Oftentimes, that Gospel tract will be read aloud to others who are illiterate or passed on to someone else who will read it and pass it on to yet another person.

Generator
\$1,800 —1210
Shared Cost Price: \$180



Gospel Tracts
200 tracts - \$1
1,000 tracts - \$5
10,000 tracts - \$50
1 million tracts - \$5,000 —1100

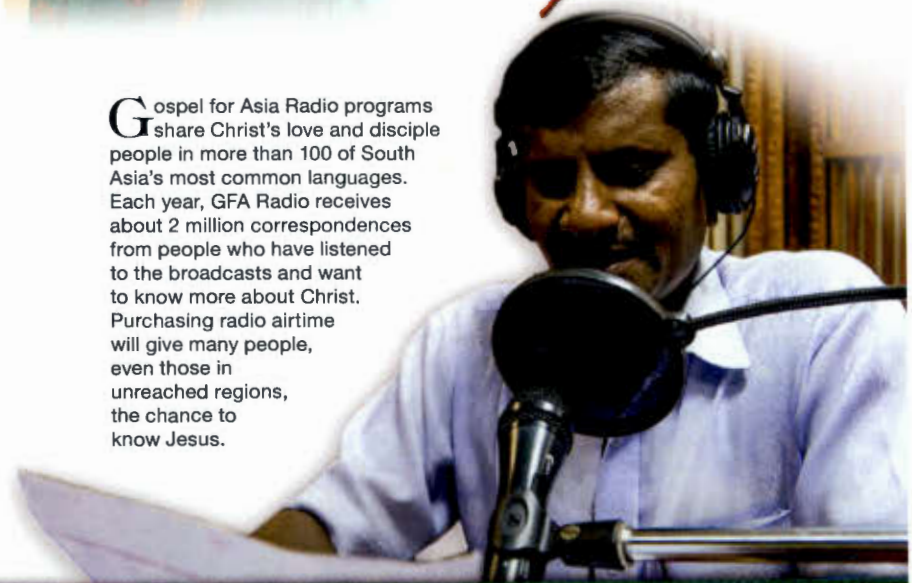


Radios not only help people hear about Jesus, but they also play radio programs that help listeners grow in Him. In some cases, villagers gather around a radio to listen to the messages, and a church is born!

"From the day when we started hearing the radio, we got peace in our lives, and we came to know about Lord Jesus Christ." —Hansa

Radio
\$40 —1523
Radio Broadcasts
\$45 for 15 minutes
\$180 for 1 hour —2200

Gospel for Asia Radio programs share Christ's love and disciple people in more than 100 of South Asia's most common languages. Each year, GFA Radio receives about 2 million correspondences from people who have listened to the broadcasts and want to know more about Christ. Purchasing radio airtime will give many people, even those in unreached regions, the chance to know Jesus.



A Livelihood and the Love of Christ



A simple paddy-threshing machine removes rice grains from the stalks. The machine will help a farmer provide for his family.

Paddy-Threshing Machine

\$85

—1533

Tool Kit

\$80

—1520

A tool kit includes an ax, shovel, saw, plow, sickle and crowbar. Having the right tools to plow, plant and harvest increases a farmer's productivity, giving him more to sell and therefore more income to provide food, clothing, shelter and a better life for his family.

When you give a sewing machine, you change the recipient's life. The person who receives your gift will be able to supplement their family's income, helping provide for their basic necessities and giving them a lift out of the cycle of poverty. The recipient of your sewing machine, like the recipients of all of these gifts, will get to hear the Good News that Jesus loves them and died for them.

Sewing Machine

Motorized - \$115

—1522

Manual - \$85

—1521



In some regions of South Asia, entire families make their living weaving cloth and sewing it into garments, handbags, hats and household items. With a sturdy weaving loom, they can produce these items faster, increase their profits and provide for their family's needs.



Weaving Loom

\$137

—1530

Rescue People from an Eternity Apart from Christ

Missionaries are the ones who survey villages to find people in greatest need of a Christmas gift. They are the ones who distribute the gifts, who tell the recipients Jesus loves them and pray for them. They minister in multiple villages each week and live on only \$7–\$12 per day. They are working among some of the most unreached people groups in the world, and they lay down their lives and sacrifice all so others can be helped. Give a Christmas gift to Christ—and the world—by sponsoring a national missionary.

Sponsor a National Missionary
\$30 monthly

—4000

Give Hope and a Future to a Child Who Has Nothing

Dalit (“Untouchable”) and low-caste children are told they are worthless to their society. You can tell them Jesus loves them. Gospel for Asia’s Bridge of Hope centers give destitute children the opportunity to learn how to read and write. They’re taught academics and given a meal each day as well as much-needed medical care. Above all, they learn the Creator of the universe loves them deeply. You can give another child the same opportunity for little more than \$1 per day.

“People used to hit us and scold us. ... [The staff] accepted us. They hugged us, they loved us and they taught us.”
—Prema and Neha

Send a Child to Bridge of Hope
\$35 monthly

—3500

“I just want to help people come to know Jesus. I work a lot, and it would bring me joy to know that a missionary has the help to reach out to people and show them Jesus.” —Alex J., Stillwater, MN

Establish Believers in Their Faith and Help More Come to Know Jesus

For South Asian believers, a church is much more than just a building.

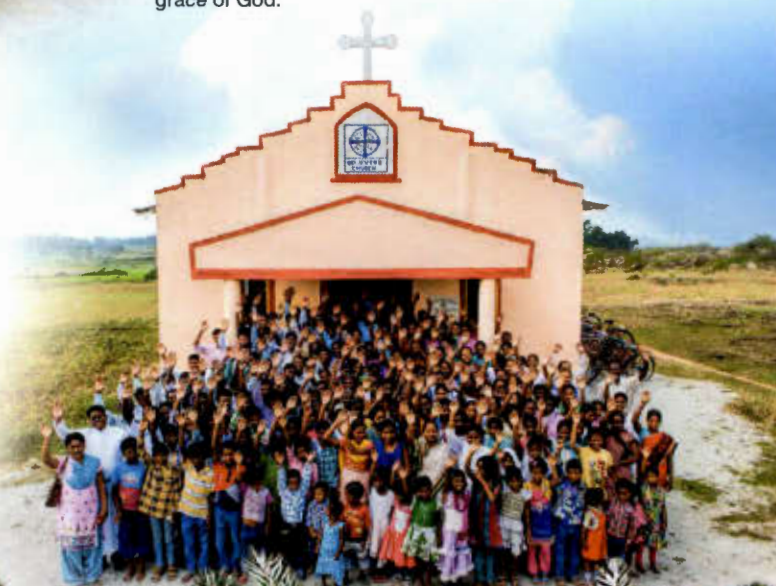
A church building:

- Allows people to gather for services despite beating sun or monsoon rain.
- Makes weekly prayer meetings and Women's Fellowship meetings possible when, as is sometimes the case, they weren't possible before.
- Gives credibility to the believers and their God, which means villagers are less likely to persecute the church and more likely to listen to their message.
- Brings many more opportunities for ministry, resulting in more people choosing to trust in the grace of God.



"Since we built a permanent church building . . . the opponents are not creating problems anymore. They are coming to Sunday worship services."
—Pastor Haamid

The largest church buildings Gospel for Asia constructs can hold 500 people.



Reading, Writing and Rhythmic

How can you protect women, help keep them and their children healthy, and give them the opportunity to know Jesus more? Through Gospel for Asia's Women's Literacy Fund. When women learn to read, they can avoid harmful labor contracts, understand warning labels and avoid being cheated at the marketplace. But more than that, through the class, women get to hear about Christ's love for them. After they graduate, they're also able to read God's Word and grow in their relationship with Him. So far, the literacy book and literacy classes are available in about 16 languages, and more translations are in progress. Today, you can help more women in Asia learn how to read and write, and in so doing, they'll find value in Christ.



**Women's
Literacy
Fund**
\$25

—3321

At Vacation Bible School, children sing, dance and learn about Jesus! Purchase materials that will allow kids to hear about Jesus for the very first time! Many will go home and tell their families what they learned.



**Vacation
Bible School**
\$30

—2016

This Christmas, Defend the Fatherless and Plead for the Widow

Awidow in South Asian society is viewed as a curse. She is often blamed for her husband's death and ostracized from family and society. Like widows, abandoned children are left to provide for their own livelihoods. These children weave in and out of busy city traffic, begging for spare change or searching for food in the garbage dump. The sidewalk is their bed. These precious women and children are loved by God, but they need to hear it. The Widows and Abandoned Children Fund provides Gospel for Asia missionaries with the means to help. It gives widows and children the opportunity to find new life and hear about the God who loves them so much that He gave His only Son.

"As a widow myself, I know of the struggles involved in providing for those I love. May my 'mite' help in a small way to meet the needs of other widows." —Susan S., Tupelo, MS

**Widows and
Abandoned
Children Fund**

\$75

—4030

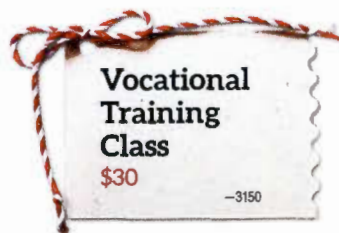


**Fishing Net****\$25**

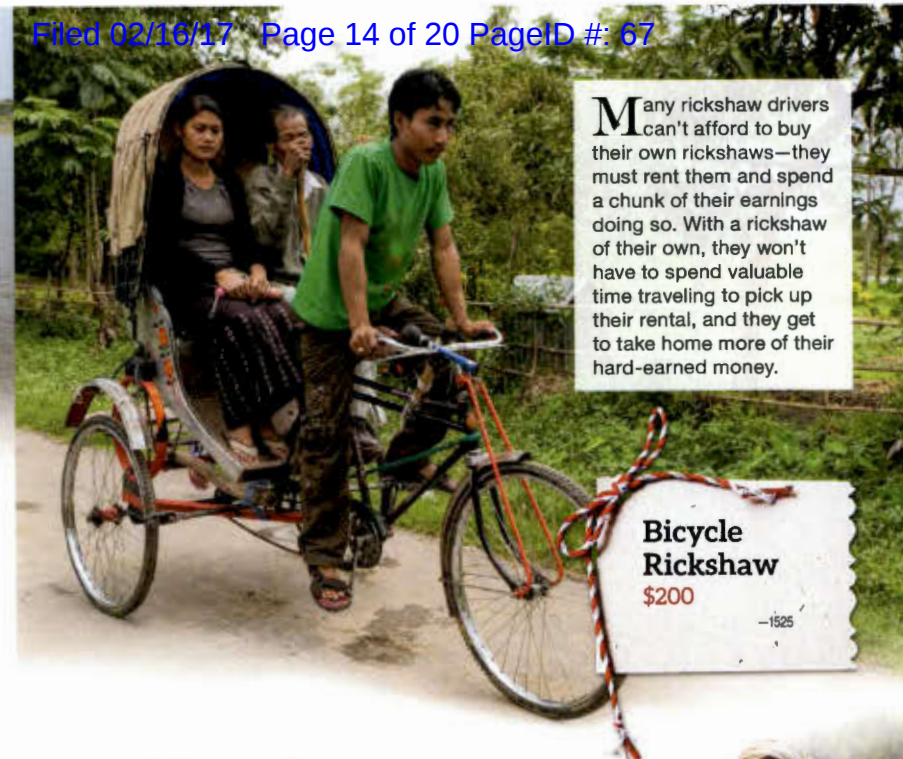
-1528

Give a Man a Fish and Feed Him for a Day. Give Him a Net and . . .

Gospel for Asia offers courses in practical fields such as fishing, welding and tailoring to both men and women. The courses help people get a better job than they could get before, and they can provide a better life for their families. In addition, the classes are taught in conjunction with the local church, so trainees also hear about the love of Jesus.

**Vocational
Training
Class****\$30**

-3150



Many rickshaw drivers can't afford to buy their own rickshaws—they must rent them and spend a chunk of their earnings doing so. With a rickshaw of their own, they won't have to spend valuable time traveling to pick up their rental, and they get to take home more of their hard-earned money.

**Bicycle
Rickshaw****\$200**

-1525

Carts piled high with fruit, vegetables, clothing or handcrafted items are a frequent sight in South Asian cities. Working as a street vendor is a common way to make a living. Your purchase of a large pull cart will enable a poor man or woman's business to flourish.

**Pull Cart****\$120**

-1526

Help Them Know and Worship the Savior



Bibles

One Bible - \$3
Eight New Testaments - \$4

-1102

Many believers in Asia are first-generation believers who grew up knowing nothing of God's ways, and they're hungry for His Word. Give believers in Asia their own Bibles or New Testaments, and help them grow in their knowledge of God and walk more closely with Him.



Musical Instruments

\$27

-1410

Most Asian churches don't have organs or guitars or fancy sound systems. Purchase a drum and tambourine for a church and help believers make a joyful noise unto the Lord.



The Weather Outside Is Frightful, but This Blanket Is So Delightful

Help families survive harsh winters with a cozy, warm blanket.



Blankets

One blanket - \$12
Two blankets - \$24
Five blankets - \$60

-1524

A winter clothing packet will keep a national missionary protected from the cold so he or she can continue sharing God's love even in the winter, or it will show Christ's love in a very practical way to someone who needs to be warmly clothed.

Winter clothing packets often include:

- A blanket
- A jacket
- A sweater

Depending on the region, a packet may also include socks, gloves and other garments.



Winter Clothing Packet

\$40

-1401



A gift that keeps on giving and
giving and giving and giving and
giving and giving and giving and
giving and giving and giving and
giving and giving and giving and
giving and giving and giving and



They're furry. They're cute. And they can change someone's life. A pair of rabbits will multiply, providing a steady source of lean meat and plenty of furs to sell.

Rabbits
 One pair - \$11
 Two pairs - \$22
 Five pairs - \$55

-1502

Rabbits

One pair - \$11
Two pairs - \$22
Five pairs - \$55

-1503

-1502

Let's Get Practical

Mosquito Net

One net - \$10
Two nets - \$20
Five nets - \$50

—1531

Malaria is transmitted through the bite of an infected mosquito. Offer people in Asia protection and a restful night's sleep, free from the sting of infected mosquitoes. And because many families in Asia sleep in the same bed, it's likely that each net you give will provide protection for a whole family.

Millions of families in South Asia have no choice but to go to the bathroom out in the open. To avoid being seen, many women will relieve themselves only before dawn or after dusk, but they risk assault as they go out into an open field in the dark. Continually returning to communal waste grounds also puts the family at risk of disease. You can help a family, and especially vulnerable women and girls, by giving them a private outdoor toilet.

Outdoor Toilet

\$160

—1537

These tricycles are operated with the arms rather than the legs, so those who can't use their legs can still get where they need to go.

Adult Tricycle

\$100

—1532



Lanterns are given to families in regions that have no electric power and to churches so believers can hold nighttime activities.

Lantern

\$25

—1001

Many families can't afford good roofs for their homes. Purchase a lightweight yet sturdy tin roof for a family in need. The roofs provide reliable shelter during monsoon season.

Tin Roof

\$220

—1534

The Gift Shop

Know Christ More Deeply

Broken for a Purpose - \$11

In this book written by Gisela Yohannan, find counsel and encouragement to keep trusting the Lord as He leads you through "valleys of the shadow of death" to victory.

Softcover. —NBFP

Touching Godliness - \$11

Find the path of surrender that Jesus walked, and enter into a depth of godliness and a closeness to God you may not have thought possible.

Softcover. —B7

Let Me Walk With You - \$11

In this volume of letters, originally addressed to women serving on the mission field, Gisela Yohannan shares lessons from her own life and insights from God's Word that will fill your heart with faith and strength.

Softcover. —NLMW

Stocking Stuffers

Little Things That Make a Big Difference - \$10

A charming collection of quips—some delightful, some amusing and all insightful—that seems to belong on a coffee table or in a guest bathroom.

Hardcover. —B11H

Even Donkeys Speak - \$8

Inspire your children, grandchildren or even your own heart with this collection of stories taken straight from the mission fields of South Asia.

Softcover. —NEVD

A Life of Balance - \$3.50

Gain scriptural insights on the balance between things like faith and common sense, submission and individual choice, and our sacrifice and God's grace.

Softcover. —BK8

Stocking Stuffers (continued)

Dance Not for Time - \$11

Hold in your hands a small book of K.P. Yohannan's poems that give perspectives on love, friendship, forgiveness and many other joys and sorrows we come across on this journey.

Hardcover. —B10H

Enter Their World

Revolution in World Missions - \$5.50

Let the Lord catapult you into a life more dedicated to seeing His kingdom come—in your own heart and around the globe.

Softcover. —B1

No Longer a Slumdog - \$5.50

Journey through the slums and villages of South Asia and into the lives of the children living there.

232 pages. Softcover. —B9

Veil of Tears DVD - \$8

Walk into the plight of women in India and see how Christ is transforming their lives.

—DVDVOTS

World Prayer Map - \$3.50

Engage yourself in prayer for the world.

11x18 inches. —MAPM

Choose from Many Other Helpful Resources:

- "Living in the Light of Eternity"
- "Discouragement: Reasons and Answers"
- "When We Have Failed—What Next?"
- "Crisis in Leadership"

And more available for order or free download at gfa.org/giftshop.



What does the mission field need the most?

We are often asked what the mission field needs the most. You can give our brothers and sisters on the mission field the flexibility to use your gift for needs that they don't have enough funds for by donating toward "Field Ministries." You'll meet high-priority needs, and many will be blessed!



"I am so happy for God providing me these two piglets. ... These two good-breed piglets [are] going to be a great help for my family." —Laghuvu

Can't decide which cute little animals to give someone?

Why choose? Bundle up a pair of rabbits, a pair of chickens, a lamb and a pair of pigs—and share Christmas with multiple families in South Asia.



"It is a great blessing to me every time I make a donation, knowing someone else in great need will be blessed."
—Craig L.,
Loranger, LA

Take Five Minutes to Change ~~a~~ Life Many[^] Lives

- Visit gfa.org/gift to give your gifts.
- Fill out the order form on page 18, indicate your method of payment and drop the form in the mail.
- Call us at 1-800-WIN-ASIA (946-2742). The best time to call is Monday through Friday from 9 a.m. to 5 p.m. CST.



Know someone who wouldn't want "just another gift"?

Why not make that person's Christmas present a gift that will transform the life of a family in Asia? Give a donation as usual, and then order a free Christmas card on the order form or download a card from gfa.org/gift/cards. The card shares that a family in Asia will never be the same because of this Christmas gift.

Order cards by **December 9** to ensure that your cards arrive in time for Christmas.





GOSPEL FOR ASIA
transforming communities through Christ's love

1116 St. Thomas Way
Willis Point, TX 75169



GFA.ORG/GIFT



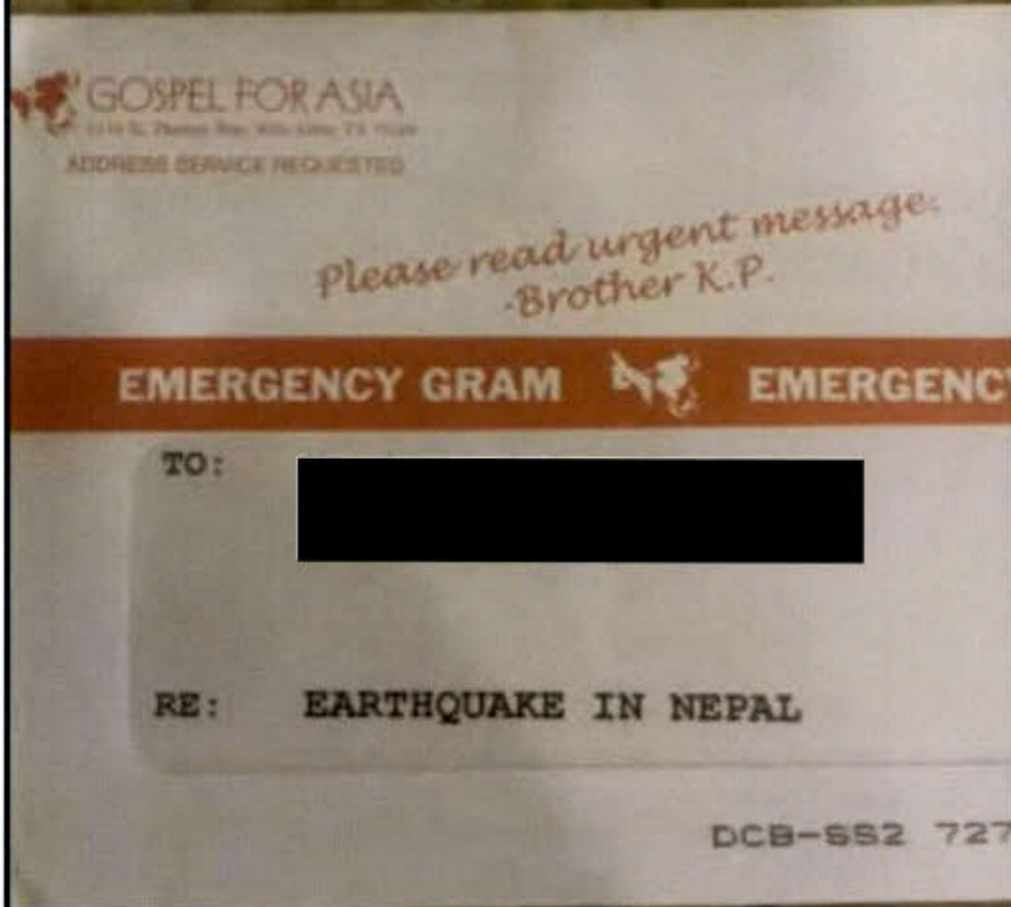
*"This was our Christmas
present to Jesus this year."*

—Michael G., Faribault, MN

To give a gift to
a family in Asia,
scan this with
your smartphone.



EXHIBIT 3



suggestions?

 Like  Comment 

EXHIBIT 4

Your Gift Summary **December 31, 2012**

Springdale, AR 72762

Amount Received \$8,922.00

Your Account 16812323

Gifts received after December 31st will be reflected on your next statement

Starting out a new year is always exciting. It's a time to thank God for the ways He blessed us last year and to anticipate all the amazing things He will do in the year ahead.

One thing we are thankful for is your partnership to help reach those who so desperately need to hear of Jesus' love. Through your prayers and generosity, many people in Asia will have the opportunity for a new year full of hope!

H. J. Lawrence

K.P. Yohannan
Founder & President

2012 Tax Deductible Total
\$10,922.00

2 Minutes to Make 2 X the Impact

**Find out if your employer
will match gifts to GFA!**

-Talk to your HR

Department

-Go to gfa.org/match

-Call us at 1-800-946-2742



GOSPEL FOR ASIA
reaching the most unteached

KEEP this portion for tax purposes 1800-WIN-ASIA (1-800-946-2742) • M-F, 9 a.m.-5 p.m. Central • 1800 Golden Trail Court • Carrollton, TX 75010

▼ RETURN this portion with your next gift www.gfa.org Make checks payable to *Gospel for Asia*. For credit card or bank debit, see back.

Commitment	Code	Amount
Ratan Swargiary	151911	\$30/mo
13 Bridge of Hope Children	Summary	\$455/mo
2 Bridge of Hope Children	Summary	\$840/yr
	Current Month Total	\$485.00

Gift Preference	Amount Enclosed
Pledged Amount—\$485.00	\$ _____
Where Most Needed (7000)	\$ _____
Bicycles(1010)	\$ _____
Other (Please Specify)	
_____	\$ _____
Total Gift Enclosed	\$ _____

Garland and Phyllis Murphy: 16812323

Please use the space above for ☐ Prayer Request or ☐ Address Change

Account Activity January 02, 2012 - December 31, 2012**2012 Tax-Deductible Gifts**

Date	Code	Description	Amount	Month	Amount Given
Summary	4000	10 National Missionary gifts	\$390.00	January	\$336.00
Summary	1040105579	156 Bridge of Hope gifts	\$5,677.00	February	\$852.00
Summary	1003	2 Bio Sand Water Filters gifts	\$120.00	March	\$888.00
Summary	1102	4 GFA Bible Society gifts	\$620.00	April	
Summary	4030	4 Widows and Abandoned Children gifts	\$605.00	May	\$499.00
02/09/2012	6185	Staff - Matt & Jenna Dickson	\$200.00	June	\$240.00
02/09/2012	1523	Battery Powered Radios	\$50.00	July	\$2,997.00
02/09/2012	2200	GFA Radio	\$50.00	August	\$559.00
07/04/2012	2710	Jesus Wells	\$1,000.00	September	\$549.00
09/21/2012	3321	Women's Literacy Program	\$50.00	October	\$499.00
12/29/2012	1522	Motorized Sewing Machines	\$85.00	November	\$499.00
12/29/2012	1001	Kerosene Lanterns	\$75.00	December	\$3,004.00
				Year-to-Date Total	\$10,922.00

Total Received \$8,922.00

All contributions to Gospel for Asia are income tax deductible to the extent allowed by law, and are made with the understanding that GFA has complete discretion and control over the use of all donated funds. However, we are committed to apply your gifts according to your preferences.

Other than reflected on this statement, no goods or services, in part or in whole, were provided in exchange for these gifts.

The value of non-cash donations are not included in this statement.

A indicates an adjustment from an earlier gift
N indicates the gift is NOT tax-deductible
P indicates the gift was paid by someone else



As a charter member of the Evangelical Council for Financial Accountability (ECFA), GFA maintains the highest standards of financial integrity and Christian ethics, and is governed by a responsible board of directors. Our books are audited annually by an independent accounting firm, and copies of our financial statements are available upon request.



One hundred percent of all contributions given for use on the mission field are sent to the mission field.

Using the electronic fund transfer payment option below will help reduce overhead expenses related to processing gifts.

Monthly or One-Time Gift from Credit/Debit Card

We accept Visa, Mastercard, AmericanExpress and Discover

I authorize Gospel for Asia to charge my credit card for the amount of \$ _____.

☐ One Time or ☐ Monthly

Card Number: _____

Expiration Date: ____ / ____

Print name as it appears on credit card

Authorized Signature

*If monthly, this authorization will remain in effect until I notify Gospel for Asia in writing two weeks prior to the automatic charge that I wish to change or discontinue.

Monthly Gift from Checking Account

Be sure to include a VOIDED BLANK CHECK (U.S. banks only)

I authorize Gospel for Asia to withdraw from my checking account for the amount of \$ _____ on or about the ☐ 3rd or ☐ 18th of each month. This authorization will remain in effect until I notify Gospel for Asia in writing one week prior to the automatic withdrawal that I wish to change or discontinue.

Print name as it appears on bank account

Authorized Signature

EXHIBIT 5

ANNUAL GFA FUNDRAISING AND IN-INDIA EXPENDITURES

TOTALS	Subtotals	2007	2008	2009	2010	2011	2012	2013	TOTAL
U.S. Donations (per Detail)	Field-Only	46,253,800	48,081,487	N/A	43,348,531	49,645,392	54,694,008	57,869,195	299,892,413*
	General	8,524,471	9,738,581	N/A	14,108,455	23,914,237	12,432,012	32,556,437	101,274,193*
	Non-Revenue	296,200	224,279	N/A	185,631	186,018	181,042	185,017	1,258,187*
	Subtotal	55,074,472	58,044,347	~57,000,000	57,642,617	73,745,647	67,307,062	90,610,649	459,424,794
	For Non-India Works	39,883	28,411	N/A	219,851	517,306	96,594	257,574	1,159,619*
	U.S. Available to Send to India	46,213,917	48,053,076	N/A	43,128,680	49,128,086	54,597,414	57,611,621	298,732,794*
U.S. Donations (per GFA Audit)	Field	43,588,387	47,842,880	N/A	42,941,514	49,272,834	54,151,725	57,403,111	295,200,451*
	General	9,566,376	10,405,706	N/A	15,044,840	24,452,099	14,493,653	33,086,364	107,049,038*
	All Donations	53,154,763	58,248,586	N/A	57,986,354	73,724,933	68,645,378	90,489,475	402,249,489*
Sent to India	From U.S.	53,500,000	45,797,397	45,000,000	41,329,032	46,561,790	45,592,657	58,542,900	336,323,776
	From UK, CAN, AUS	13,928,754	11,489,405	13,071,864	13,532,429	17,359,050	19,162,327	17,751,807	106,295,636
	Total Sent	67,428,754	57,286,802	58,071,865	54,861,461	63,920,840	64,754,984	76,294,707	442,619,413
	% U.S. Available to India Sent to India	116%	95%	N/A	96%	95%	84%	102%	98%*
Utilized within India	+Interest/Invest	6,644,850	8,371,813	9,782,675	9,244,139	14,604,762	16,178,624	14,358,444	79,185,307
	Bank Open	50,564,673	64,851,922	78,255,136	119,256,136	152,521,240	169,925,527	170,824,591	50,564,673
	Available in India	124,638,277	130,510,536	146,109,676	183,361,736	231,046,843	250,859,135	261,477,742	572,369,393
	-Missing/No Report	-15,218,461	-10,306,790	-6,367,432	+1,897,531	-9,041,147	-33,941,104	-42,689,894	-115,667,297
	+/- Exchange	4,480,970	-15,242,531	12,409,787	-966,506	-19,593,060	-7,965,259	-14,935,483	-41,812,082
	Bank Close	64,851,922	78,255,136	119,256,136	152,521,240	169,925,527	170,824,591	149,317,393	149,317,393
	Total Utilized	49,048,864	26,706,080	32,895,895	31,771,521	32,487,108	38,128,181	54,534,972	265,575,621
	Spent on Believers Church	36,918,707	15,374,598	19,801,547	18,549,639	21,405,630	26,775,473	39,890,329	178,715,923
	Spent on GFA Mission	12,130,157	11,331,482	13,094,347	13,221,882	11,081,479	11,352,708	14,644,642	86,856,697
	% Total Sent to India Spent on GFA Mission	18%	20%	23%	24%	17%	18%	19%	20%
	% U.S. Available to India (prorated) Spent on GFA Mission	21%	19%	N/A	23%	16%	15%	20%	19%*

- Fluctuations in currency conversions (especially the Indian Rupee) may alter totals, especially across years.
- An * denotes that total/percentage does not include 2009 data.
- 2014 nor 2015 financial data for GFA not available.

EXHIBIT 6

ANNUAL AMOUNTS GFA IN-INDIA AFFILIATES DECLARED SPENT (PER FC-6 FORMS)

FC-6 FORM STANDARD DESCRIPTION	2007	2008	2009	2010	2011	2012	2013
WATER MINISTRY							
Digging of bore wells.	635,459	567,782	1,221,602	803,204	418,240	650,269	1,373,546
BRIDGE OF HOPE CHILD SPONSORSHIP							
Welfare of children.	3,991,894	3,020,009	4,289,892	5,967,034	4,223,397	5,085,812	6,294,865
MISSIONARIES							
Religious schools / education of priests and preachers.	5,202,834	4,490,027	4,150,261	5,346,623	5,752,524	4,855,549	5,554,641
EMPOWERING THE POOR							
Income generation projects / schemes.	562,117	2,595,576	189,952	8,709	7,557	0	0
Welfare / Empowerment of women.	703,460	23,803	212,361	118,711	57,593	44,604	102,704
Conducting adult literacy programs.	1,116	50,399	69,735	18,838	0	0	0
Vocational training – tailoring, motor repairs, computers etc.	12,405	497	0	0	0	0	0
TOTAL	1,279,098	2,670,276	472,048	146,258	65,150	44,604	102,704
WELFARE							
Grant of stipend / scholarship / assistance ... to poor...	86,840	64,094	97,861	95,769	279,135	358,829	32,080
Welfare of the aged / widows.	68,034	236	33,483	2,967	12,258	15,604	436
Provision of free clothing / food to the poor, needy ... destitute.	7,078	3,000	4,175	3,334	3,646	9,321	17,333
Welfare of the orphans.	639	0	0	0	0	0	0
Welfare of the physically and mentally challenged.	0	0	0	0	0	0	0
TOTAL	162,591	67,331	135,519	102,069	295,039	383,754	49,849
EDUCATION & AWARENESS							
Awareness Camp/Seminar/Workshop/Meeting/Conference.	118,130	87,352	384,268	242,086	215,763	142,317	522,834
Non-formal education projects / coaching classes.	34,407	23,833	25,336	21,369	12,038	6,753	5,995
Purchase and supply of educational material – books...	6,052	4,120	1,636	2,302	1,142	2,403	933
Awareness about AIDS/Treatment and rehabilitation...	618	3,381	70	278	22	32	31
Education / Schools for the mentally challenged.	0	0	0	0	0	0	0
TOTAL	159,207	118,686	411,310	266,035	228,967	151,504	529,792
NATURAL DISASTER RELIEF							
Relief / Rehabilitation of victims of natural calamities.	27,984	115,871	78,738	12,038	2,825	42,827	501,553
Help to the victims of riots / other disturbances.	0	0	2,188	302,120	1,056	3,020	0
TOTAL	27,984	115,871	80,926	314,158	3,881	45,846	501,553
CONSTRUCTION							
Construction of community halls etc.	590,190	35,969	0	0	0	0	0
Construction and running of hostel for poor students.	0	0	0	0	0	0	0
Construction and Management of old age home.	0	0	0	0	0	0	0
TOTAL	590,190	35,969	0	0	0	0	0

MEDICAL & HEALTH TREATMENT							
Supply of free medicine, and medical aid, including hearing...	79,268	225,665	2,056,438	231,621	56,657	73,207	150,611
Treatment / Rehabilitation of persons suffering from leprosy.	1,552	19,594	276,352	44,879	37,624	62,162	82,745
Holding of free medical/health/family welfare/immunization...	79	271	0	0	0	0	4,337
Provision of aids such as Tricycles ... to the handicapped.	0	0	0	0	0	0	0
Treatment / Rehabilitation of drug addicts.	0	0	0	0	0	0	0
TOTAL	80,899	245,531	2,332,790	276,501	94,281	135,370	237,693
BELIEVERS CHURCH HOSPITAL CONSTRUCTION & OPERATING COSTS							
Construction / Running of hospital / dispensary / clinic.	14,153,892	917,436	317,234	1,021,202	863,524	5,125,470	14,746,551
BELIEVERS CHURCH SCHOOLS & COLLEGES CONSTRUCTION & OPERATING COSTS							
Construction and maintenance of school / college.	2,712,875	1,627,703	302,207	649,141	258,271	414,488	234,445
BELIEVERS CHURCH FIELD SALARIES & OVERHEAD							
Maintenance of priests/preachers/other religious functionaries.	6,446,496	5,162,337	5,814,390	5,236,665	5,162,851	6,275,392	6,464,156
Construction / Repair / Maintenance of places of worship.	4,873,524	2,818,995	4,989,962	4,939,351	5,186,475	5,953,970	8,339,577
Religious functions.	1,547,602	628,800	656,156	502,173	492,006	505,260	601,349
Publication and distribution of religious literature.	1,034,512	282,739	396,600	317,142	248,862	185,697	252,013
TOTAL	13,902,134	8,892,870	11,857,109	10,995,332	11,090,193	12,920,318	15,657,094
BELIEVERS CHURCH FIELD ADMINISTRATION							
Other expenses.	1,394,749	1,003,726	1,879,356	1,687,043	2,969,973	3,019,572	3,129,154
Activities other than those mentioned above	647,934	399,918	1,888,055	489,146	604,312	566,063	727,750
Payment of salaries / honorarium.	720,128	1,391,305	1,666,449	722,126	2,194,782	2,701,483	2,926,182
Construction / Extension / Maintenance of office...buildings.	577,108	262,781	294,002	704,281	407,133	313,057	156,899
Establishment of Corpus Fund.	0	0	0	0	0	0	0
Publication of newsletter / literature / books etc.	222	0	0	3,778	0	0	0
Purchase of land.	692,081	0	0	621,209	1,089,840	869	1,176
Celebration of national events (Independence/Republic day)...	267,435	182,333	182,737	270,506	309,323	312,521	294,680
Theatre/Films	177,546	67,979	255,571	178,317	375,416	85,576	122,122
Rural Development.	1,561,531	480,474	901,454	963,665	1,036,290	1,031,851	1,506,127
Animal husbandry projects.	58,021	68,535	89,030	92,653	70,395	94,688	122,966
Agricultural activity.	15,371	18,618	44,483	42,706	25,180	33,773	52,362
Environmental programs.	37,679	60,920	123,860	108,534	110,997	155,744	212,822
TOTAL	6,149,806	3,936,589	7,324,997	5,883,963	9,193,642	8,315,197	9,252,239
SUBTOTAL GFA MISSION	12,130,157	11,331,482	13,094,347	13,221,882	11,081,479	11,352,708	14,644,642
SUBTOTAL BELIEVERS CHURCH	36,918,707	15,374,598	19,801,547	18,549,639	21,405,630	26,775,473	39,890,329
GRAND ANNUAL TOTAL	49,048,864	26,706,080	32,895,895	31,771,521	32,487,108	38,128,181	54,534,972

EXHIBIT 7

Gospel For Asia, Inc.

*Independent Auditors' Report
and Financial Statements*

Year Ended December 31, 2013
with Comparative Totals for the
Year Ended December 31, 2012





INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Gospel for Asia, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Gospel for Asia, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities and cash flows for the year 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 audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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.

Gospel for Asia, Inc.
Page 2

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gospel for Asia, Inc. as of December 31, 2013, and the changes in net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Gospel for Asia's 2012 financial statements, and our report dated June 18, 2013, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Blond Herring, P.C.

Richardson, Texas

June 13, 2014

GOSPEL FOR ASIA, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2013 and 2012

ASSETS

	2013	2012
CURRENT ASSETS		
Cash	\$ 14,112,769	\$ 20,022,338
Contributions receivable (Note L)	3,025,953	3,133,527
Short term gifts in kind (Note B)	347,030	329,218
Accounts receivable	6,465	1,633
Inventory (Note D)	489,534	535,786
Prepaid expenses (Note E)	120,174	153,514
Current portion of note receivable (Note M)	57,281	52,891
TOTAL CURRENT ASSETS	<u>18,159,206</u>	<u>24,223,907</u>
PROPERTY AND EQUIPMENT (Note N)		
Land, building and improvements	41,576,950	17,374,945
Furniture, fixtures and equipment	2,563,550	2,552,129
Vehicles	59,305	65,622
	<u>44,199,805</u>	<u>19,992,696</u>
Less accumulated depreciation	5,038,118	4,634,913
	<u>39,161,687</u>	<u>15,357,783</u>
OTHER ASSETS		
Deposits	7,504	6,554
Note receivable, net (Note M)	92,587	149,868
Long term gifts in kind (Note B)	1,412,840	1,347,090
Assets held in charitable remainder unitrust (Note F)	74,670	67,022
Assets held under charitable gift annuity (Note F)	21,248	19,595
Assets held under revocable intents to give (Note F)	286,255	275,063
	<u>1,895,104</u>	<u>1,865,192</u>
	<u>\$ 59,215,997</u>	<u>\$ 41,451,882</u>

See independent auditors' report and accompanying notes to financial statements.

GOSPEL FOR ASIA, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2013 and 2012

LIABILITIES AND NET ASSETS

	<u>2013</u>	<u>2012</u>
CURRENT LIABILITIES		
Accounts payable	\$ 1,824,995	\$ 719,340
Accrued field support (Note L)	5,455,256	10,085,807
Accrued liabilities	14,536	15,236
TOTAL CURRENT LIABILITIES	<u>7,294,787</u>	<u>10,820,383</u>
LONG-TERM LIABILITIES (Note F)		
Liability under charitable remainder unitrust agreement	27,422	29,400
Liability under charitable gift annuity	8,880	9,237
Liability for refundable advance under revocable intent to give	286,255	275,063
	<u>322,557</u>	<u>313,700</u>
COMMITMENTS AND CONTINGENCIES (Note J)		
NET ASSETS		
Unrestricted	43,643,074	19,051,802
Temporarily restricted	7,955,579	11,265,997
Permanently restricted	-	-
	<u>51,598,653</u>	<u>30,317,799</u>
	<u>\$ 59,215,997</u>	<u>\$ 41,451,882</u>

See independent auditors' report and accompanying notes to financial statements.

GOSPEL FOR ASIA, INC.
STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2013 and 2012

	2013			2012
	Unrestricted	Temporarily Restricted	Permanently Restricted	Summarized Total
SUPPORT				
General donations	\$ 11,513,088	\$ 20,968,232	\$ -	\$ 32,481,320
Field donations	-	57,403,111	-	57,403,111
Gifts in kind	233,232	371,812	-	605,044
Interest income	14,740	-	-	14,740
Realized gain (loss) on sale of investments and assets	33,535	-	-	33,535
Other	(3,087)	-	-	(3,087)
Change in value of split-interest agreements (Note F)	-	11,635	-	11,635
Net assets released from restrictions through satisfaction of program requirements	82,065,208	(82,065,208)	-	-
	<u>93,856,716</u>	<u>(3,310,418)</u>	<u>-</u>	<u>90,546,298</u>
EXPENSES (Note K)				
Program services (Note H)	61,573,959	-	-	61,573,959
Management and general	3,731,696	-	-	3,731,696
Fund-raising	3,959,789	-	-	3,959,789
	<u>69,265,444</u>	<u>-</u>	<u>-</u>	<u>69,265,444</u>
INCREASE (DECREASE) IN NET ASSETS	24,591,272	(3,310,418)	-	21,280,854
NET ASSETS AT BEGINNING OF YEAR	<u>19,051,802</u>	<u>11,265,997</u>	<u>-</u>	<u>30,317,799</u>
NET ASSETS AT END OF YEAR	<u>\$ 43,643,074</u>	<u>\$ 7,955,579</u>	<u>\$ -</u>	<u>\$ 51,598,653</u>

See independent auditors' report and accompanying notes to financial statements.

GOSPEL FOR ASIA, INC.
 STATEMENTS OF CASH FLOWS
 For the Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 21,280,854	\$ 2,111,870
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	532,301	522,640
Realized (gain) loss on sale of investments	(41,204)	9,325
Realized loss on disposal of assets	7,669	-
Change in value of split-interest agreements	(11,636)	(8,520)
Contributions of gifts in kind	(605,044)	(2,056,408)
Gifts in kind transferred to operations	-	18,486
(Increase) decrease in contributions receivable	107,574	(97,970)
(Increase) decrease in due from affiliate	-	9,000,000
(Increase) decrease in accounts receivable	(4,832)	(1,633)
(Increase) decrease in inventory	46,252	69,486
(Increase) decrease in prepaid expenses	33,340	58,617
(Increase) decrease in deposits	(950)	(240)
Increase (decrease) in accounts payable	1,105,655	(194,924)
Increase (decrease) in accrued field support	(4,630,551)	5,780,867
Increase (decrease) in accrued liabilities	(700)	5,196
Net cash provided by operating activities	<u>17,818,728</u>	<u>15,216,792</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(148,954)	(255,619)
Proceeds from sales of property and equipment	7,085	-
Increase in construction in progress	(24,202,005)	(3,958,564)
Proceeds from sales of gifts in kind	562,686	583,466
Proceeds from note receivable	52,891	79,036
Net cash used by investing activities	<u>(23,728,297)</u>	<u>(3,551,681)</u>

See independent auditors' report and accompanying notes to financial statements.

GOSPEL FOR ASIA, INC.
 STATEMENTS OF CASH FLOWS
 For the Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	\$ (5,909,569)	\$ 11,665,111
CASH AND EQUIVALENTS AT BEGINNING OF YEAR	<u>20,022,338</u>	<u>8,357,227</u>
CASH AND EQUIVALENTS AT END OF YEAR	<u><u>\$ 14,112,769</u></u>	<u><u>\$ 20,022,338</u></u>
 SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Income taxes paid	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See independent auditors' report and accompanying notes to financial statements.

GOSPEL FOR ASIA, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013 and 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of Gospel for Asia, Inc. (GFA) is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of GFA's management, who is responsible for their integrity and objectivity. These accounting policies conform with accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Organization

GFA is a non-denominational, evangelical mission organization dedicated to reaching the most unreached peoples of Asia with the love of Jesus Christ. GFA recruits, trains, sends and supports thousands of national workers who are engaged in sharing God's love and discipleship in 10 Asian countries.

In addition, GFA national workers share the love of Christ by helping more than 60,000 children enrolled in the GFA Bridge of Hope ministry, providing disaster relief, broadcasting the Good News in 110 languages, and printing millions of pieces of Gospel literature and Scriptures each year.

GFA informs Christians in the West of the progress, effectiveness and the needs of these missionaries and provides opportunities for involvement through prayer, sponsorship, volunteer help, project giving and vision/teaching tours to the mission field.

Basis of accounting

GFA prepares its financial statements on the accrual basis of accounting which reflects all significant receivables, payables and other liabilities.

The financial statements were approved for issue by the Board of Directors on June 13, 2014, which is the date the financial statements were available to be issued.

Basis of presentation

GFA has adopted the current authoritative guidance, *Financial Statements of Not-For-Profit Organizations*. Under this standard, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. Any earnings on specific assets are considered unrestricted unless otherwise restricted by the donor.

GOSPEL FOR ASIA, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013 and 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Recognition of support and revenue

For accounting purposes, GFA operates on a calendar year basis. Support and revenues are recognized as received or earned. Donors may request their gifts be used for field support, capital improvements, disaster relief or on a “where most needed” basis among other designations. The support received related to the mission work is considered temporarily restricted and is released from restriction when the contributions have been sent to the Asian mission field or are sent within a few months after the calendar year-end. Any unspent contributions restricted to field support are classified as temporarily restricted support. Contributions postmarked by December 31, or before and received after year-end are recorded as a receivable and a corresponding field support expense is accrued.

Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. GFA reports donor-restricted contributions whose restrictions are met in the same reporting period as unrestricted support. Temporarily restricted net assets consist of contributions that have not yet been sent to the Asian mission field by year end or a few months after year end, unspent contributions of cash that must be used to acquire property and equipment, and the assets held in the charitable remainder unitrust, charitable gift annuity and revocable intents to give, net of the related liabilities.

Comparative totals

The financial statements and related footnotes include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with GFA’s financial statements for the year ended December 31, 2012, from which the summarized information was derived.

Financial instruments

The amounts reflected in the balance sheet for cash, receivables and accounts payable approximate fair value due to the short maturity of those instruments. GFA’s debt instruments carry interest at market rate; accordingly, carrying value approximates fair value.

GOSPEL FOR ASIA, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013 and 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimated assumptions. This will affect the reported amounts of assets and liabilities, 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 these estimates.

Inventory

Inventory is valued and reported on an average cost basis.

Property and equipment

All acquisitions of property and equipment in excess of \$1,000 and all expenditures for repairs, maintenance, renewals and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Such donations are reported as unrestricted support 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 restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, GFA reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. GFA reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the individual assets. Estimated useful lives are as follows:

	<u>Estimated Useful Life</u>
Land	N/A
Office building and improvements	10 to 40 years
Furniture, fixtures and equipment	3 to 10 years
Vehicles	3 years

Depreciation expense related to property and equipment amounted to \$532,301 and \$522,640 for the years ended December 31, 2013 and 2012, respectively.

GOSPEL FOR ASIA, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013 and 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Short term investments

Equity securities are classified as “available-for-sale” as defined by the current authoritative literature, *Accounting for Certain Debt and Equity Securities*. Available-for-sale securities represent those securities that do not meet the classifications of held-to-maturity or actively traded. Available-for-sale securities are carried at market value.

In accordance with this Statement, equity securities are reported at aggregate fair value with unrealized gains and losses included in the statement of activities.

Assets held in the charitable remainder unitrust, charitable gift annuity and revocable intents to give are classified as available-for-sale and valued at market value.

Investments in real estate are valued at their fair value, as determined by a current market appraisal. Other investments are valued at their estimated market value based on resale values.

The cost of securities sold was determined by the specific identification method.

Statement of cash flows

For the purpose of the statement of cash flows, GFA considers all unrestricted, highly-liquid investments with an initial maturity of three months or less to be cash equivalents. GFA uses the indirect method to present cash flows from operating activities. There were no noncash investing or financing activities for the years ended December 31, 2013 and 2012.

Long-lived assets

GFA’s policy is to periodically review the net realizable value of its long-lived assets through an assessment of the estimated future cash flows related to such assets. In the event that assets are found to be carried at amounts in excess of estimated undiscounted future cash flows, then the assets will be adjusted for impairment to a level commensurate with a discounted cash flow analysis of the underlying assets. The Company believes no impairment of long-lived assets existed at December 31, 2013.

Fair value measurements

GFA has adopted the provisions of authoritative guidance which defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the exit price) in an orderly transaction between market participants at the measurement date.

GOSPEL FOR ASIA, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013 and 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fair value measurements

In determining fair value, GFA uses various valuation approaches. A fair value hierarchy for inputs is used in measuring fair value which maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

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

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Accordingly, the degree of judgment exercised by the Organization in determining fair value is greatest for investments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement.

Federal income taxes

GFA is a not-for-profit organization exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). Accordingly, no provision for federal income taxes has been made.

GOSPEL FOR ASIA, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013 and 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Federal income taxes

The Financial Accounting Standards Board (FASB) issued authoritative guidance which clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. This guidance requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Organization's financial statements to determine whether the tax positions are more likely than not of being sustained by the applicable tax authority. Even an income tax provision of zero constitutes a tax position as defined by the FASB. Tax positions not deemed to meet the more likely than not threshold would be recorded as a tax benefit or expense in the current year. A reconciliation is not provided herein, as the beginning and ending amounts of unrecognized benefits are zero, with no interim additions, reductions, or settlements. However, the conclusions regarding this authoritative guidance will be subject to review and may be adjusted at a later date based on factors including, but not limited to, ongoing analysis of tax laws, regulations, and interpretations thereof.

Reclassifications

Certain reclassifications have been made to the prior year balances to conform with current year presentation. There was no effect on the change in net assets for the year ended December 31, 2012.

NOTE B – INVESTMENTS

The gross unrealized gains (losses) and estimated fair values of investments at December 31, 2013 and 2012, are as follows:

	2013		2012	
	Gross Unrealized Gain (Loss)	Fair Value	Gross Unrealized Gain (Loss)	Fair Value
Available-for-sale securities				
Assets held in trust	\$ 65,750	\$ 998,240	\$ -	\$ 932,490
Real estate	-	357,611	-	359,600
Miscellaneous	-	404,019	-	384,218
	<u>\$ 65,750</u>	<u>\$1,759,870</u>	<u>\$ -</u>	<u>\$1,676,308</u>

GOSPEL FOR ASIA, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013 and 2012

NOTE B – INVESTMENTS

Marketable securities and other investments at December 31, 2013 and 2012, consist of gifts in kind contributed at or near year end; thus, there are no material unrealized gains or losses on those investments as of December 31, 2013 and 2012. The unrealized gain of \$65,750 on the assets held in trust is included in unrestricted gifts in kind contributions at December 31, 2013.

NOTE C – FAIR VALUE MEASUREMENTS

The following table sets forth the carrying amounts and estimated fair values by level, within the fair value hierarchy, of the Organization's financial assets as of December 31, 2013 and 2012.

	Carrying Amount	Assets at Fair Value as of December 31, 2013		
		Level 1	Level 2	Level 3
Financial assets				
Cash and cash equivalents	<u>\$14,112,769</u>	<u>\$14,112,769</u>	<u>\$ -</u>	<u>\$ -</u>
Investments				
Gifts in kind	\$ 1,759,870	\$ -	\$ 1,065,789	\$ 694,081
Assets held under CRUT	74,670	-	74,670	-
Assets held under charitable gift annuities	21,248	-	21,248	-
Assets held under revocable intents to give	<u>286,255</u>	<u>-</u>	<u>286,255</u>	<u>-</u>
	<u>\$ 2,142,043</u>	<u>\$ -</u>	<u>\$ 1,447,962</u>	<u>\$ 694,081</u>
Financial liabilities				
Liabilities related to split- interest agreements	<u>\$ 322,557</u>	<u>\$ -</u>	<u>\$ 322,557</u>	<u>\$ -</u>

GOSPEL FOR ASIA, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013 and 2012

NOTE C – FAIR VALUE MEASUREMENTS

	Carrying Amount	Assets at Fair Value as of December 31, 2012		
		Level 1	Level 2	Level 3
Financial assets				
Cash and cash equivalents	<u>\$20,022,338</u>	<u>\$20,022,338</u>	<u>\$ -</u>	<u>\$ -</u>
Investments				
Gifts in kind	\$ 1,676,308	\$ -	\$ 869,565	\$ 806,743
Assets held under CRUT	67,022	-	67,022	-
Assets held under gift annuities	19,595	-	19,595	-
Assets held under revocable intents to give	<u>275,063</u>	<u>-</u>	<u>275,063</u>	<u>-</u>
	<u>\$ 2,037,988</u>	<u>\$ -</u>	<u>\$ 1,231,245</u>	<u>\$ 806,743</u>
Financial liabilities				
Liabilities related to split-interest agreements	<u>\$ 313,700</u>	<u>\$ -</u>	<u>\$ 313,700</u>	<u>\$ -</u>

GOSPEL FOR ASIA, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013 and 2012

NOTE C – FAIR VALUE MEASUREMENTS

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of December 31, 2013.

Cash and cash equivalents are reflected in the accompanying financial statements at amounts which approximate fair value, primarily because of the short-term maturity of those instruments.

Assets held under CRUT, charitable gift annuities and revocable intents to give are reflected in the accompanying financial statements at the fair market value of the underlying investments held in those specific accounts.

Gifts in Kind Investments consist of the following:

	Value at December 31, 2013	Value at December 31, 2012
10 acre tract of land given in 2008, valued by independent appraisal and subsequent review of market values in the area	\$ 214,600	\$ 214,600
Tandem mausoleum crypt, given in 2008, valued at market	2,900	2,900
50,000 Iraqi Dinars given in 2009, valued at market	-	-
Gold and silver coins, valued at market	141,295	141,295
40 acre tract of land given in 2012, valued by independent appraisal and subsequent review of market values in the area	-	70,000
House and property in Maryland, valued by independent appraisal and subsequent review of market values in the area	75,000	75,000
A Trust including Morgan Stanley investments, alternative investments and 50% of an airplane hangar	1,198,240	1,132,490
Half interest in 2 parcels of land in MS	68,011	-
Other	59,824	40,023
Total gifts in kind	<u>\$ 1,759,870</u>	<u>\$ 1,676,308</u>

Liabilities Related to Split Interest Agreements are valued based on the present value of future payments using various discount rates.

GOSPEL FOR ASIA, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013 and 2012

NOTE C – FAIR VALUE MEASUREMENTS

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or predictive of future fair values. Although the Organization believes its valuation methods are appropriate, different assumptions could result in a different fair value measurement at the financial statement date.

NOTE D – INVENTORY

Inventory consists of the following at December 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Books, videos, CDs, and miscellaneous literature	\$ 225,080	\$ 238,647
Prepaid supplies	<u>264,454</u>	<u>297,139</u>
Total inventory	<u>\$ 489,534</u>	<u>\$ 535,786</u>

NOTE E – PREPAID EXPENSES

Prepaid expenses consist primarily of prepaid support and maintenance contracts and prepaid booth costs at December 31, 2013 and 2012.

NOTE F – SPLIT-INTEREST AGREEMENTS

GFA has the following split-interest agreements as of December 31, 2013 and 2012:

Charitable remainder unitrust agreement

GFA administers a charitable remainder unitrust (CRUT) that provides for the payment of distributions to the grantor or other designated beneficiary over the designated beneficiary's lifetime. At the end of the trust's term, the remaining assets are available for GFA's use. The portion of the trust attributable to the future interest of GFA was recorded in the statement of activities as temporarily restricted contributions in the period the trust was established. Assets held in the charitable remainder unitrust are recorded at fair market value in GFA's statement of financial position.

GOSPEL FOR ASIA, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013 and 2012

NOTE F – SPLIT-INTEREST AGREEMENTS

Charitable remainder unitrust agreement

On an annual basis, GFA revalues the liability to make distributions to the designated beneficiary based on actuarial assumptions. The present value for the estimated future payments is calculated using a discount rate of 7% and applicable mortality tables. Subsequent changes in fair value for the charitable remainder unitrust will be recorded as changes in the value of split-interest agreements in the temporarily restricted net assets class in the accompanying statement of activities.

Charitable annuity

GFA is the administrator of a charitable gift annuity that provides for the payment of distributions to the annuitant or other designated beneficiary over the designated beneficiary's lifetime. At the end of the annuity's term, the remaining assets are available for GFA's use. The portion of the annuity attributable to the future interest of GFA was recorded in the statement of activities as temporarily restricted contributions in the period the annuity was established. Assets held in the gift annuity are recorded at fair market value in GFA's statement of financial position. The present value for the estimated future payments was calculated using a discount rate of 6% based on applicable mortality tables creating a fixed annual payment of \$900 to the annuitant. Subsequent changes in fair value for the gift annuities will be recorded as changes in the value of split-interest agreements in the temporarily restricted net assets class in the accompanying statement of activities.

Revocable intents to give

GFA is the beneficiary of several revocable intents to give. The assets related to these revocable agreements and the corresponding liabilities for refundable advances are included in the statement of financial position at fair market value. These intents to give are revocable at any time by the donors, in whole or in part, with 30 days written notice to GFA.

NOTE G – DONATED SERVICES

No amounts have been reflected in the financial statements for donated services. GFA pays for most services requiring specific expertise. However, many individuals volunteer their time to perform a variety of tasks that assist GFA with its USA operations.

GOSPEL FOR ASIA, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013 and 2012

NOTE H – RELATED PARTY TRANSACTIONS

GFA made contributions to five related non-profit organizations: Gospel for Asia - India, Gospel for Asia - Nepal, Gospel for Asia - Myanmar, Gospel for Asia - Sri Lanka and Gospel for Asia - Bangladesh. The organizations are related through a common board member. The contribution amounts at December 31, 2013 and 2012, are as follows:

	<u>2013</u>	<u>2012</u>
Gospel for Asia - India	\$58,542,900	\$45,592,657
Gospel for Asia - Nepal	856,213	881,349
Gospel for Asia - Myanmar	1,006,440	775,520
Gospel for Asia - Sri Lanka	304,650	364,100
Gospel for Asia - Bangladesh	<u>192,455</u>	<u>167,000</u>
	<u>\$60,902,658</u>	<u>\$47,780,626</u>

GFA paid approximately \$225,840 and \$280,852 on behalf of Gospel for Asia - United Kingdom, Gospel for Asia - Canada, Gospel for Asia - Germany, Gospel for Asia - New Zealand, Gospel for Asia - South Africa, Gospel for Asia - Australia and Gospel for Asia - Korea - Gospel for Asia - Finland during 2013 and 2012, respectively, to assist them in their operations. These amounts are not required to be repaid by the entities, but Gospel for Asia - Canada is reimbursing GFA for payments made on their behalf.

The Organization began establishing LLCs in 2009 primarily to facilitate the transfer of funds to the mission field. Each LLC has a separate bank account whereby funds are transferred from GFA and subsequently transferred from the LLC to the mission field. There were 12 of these LLCs as of December 31, 2013.

In August 2011, GFA transferred \$9,000,000 to GFA - India (an affiliate related through a common board member) in anticipation of earning more favorable interest rates than those of a domestic bank. These funds were temporarily restricted for the construction of a new home office. Accordingly, GFA recorded a receivable due from affiliate of \$9,000,000 at December 31, 2011. GFA collected the balance due in 2012.

NOTE I – FLEXIBLE BENEFITS PLAN

On January 1, 1994, GFA adopted a flexible benefits plan. The plan allows employees to use pre-tax payroll deductions to fund optional medical, cancer, intensive care, hospital indemnity and/or accident insurance, among others. An unreimbursed medical flexible spending account option was added on January 16, 2001. All staff are eligible to participate immediately upon joining the organization.

GOSPEL FOR ASIA, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013 and 2012

NOTE J – CONCENTRATION OF CREDIT RISK

GFA maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. At December 31, 2013, GFA's bank balances exceeded federally insured limits by \$11,286,742. At December 31, 2012, GFA's bank balances did not exceed these federally insured limits. GFA has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

During 2013, GFA received a temporarily restricted contribution from an anonymous donor in the amount of \$19,778,613 to be used for the construction of the new home office.

NOTE K -- FUNCTIONAL EXPENSE ALLOCATION

Directly identifiable expenses are charged to program and support services. Expenses related to more than one function are charged to program and support services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

The functional expense allocation at December 31, 2013, is as follows:

Description	Total Expenses	Program Services	Management and General	Fund Raising
Accounting and legal	\$ 41,443	\$ -	\$ 41,443	\$ -
Automobile expense	22,779	-	22,779	-
Bank and credit card fees	615,456	-	615,456	-
Building expenses	249,916	85,121	105,115	59,680
Café	8,232	-	8,232	-
Depreciation	532,301	181,302	223,886	127,113
Equipment repairs	20,498	6,982	8,621	4,895
Health insurance	968,738	329,371	406,870	232,497
Membership fees	12,939	461	12,017	461
Ministry presentations	2,817,618	1,406,635	3,780	1,407,203
Field support	57,101,130	57,101,130	-	-
Office supplies and expense	404,011	134,597	175,046	94,368
Operating supplies	41,743	14,218	17,557	9,968
Other costs and expenses	226,486	-	226,486	-
Payroll taxes	19,228	6,549	8,087	4,592
Planned giving expenses	11,109	-	3,346	7,763
Postage and freight	1,366,509	482,334	347,291	536,884
Printing costs	1,055,283	421,916	52,283	581,084
Staff costs	3,267,052	1,108,214	1,381,787	777,051

GOSPEL FOR ASIA, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013 and 2012

NOTE K – FUNCTIONAL EXPENSE ALLOCATION

Description	Total Expenses	Program Services	Management and General	Fund Raising
Staff recruitment	\$ 1,213	\$ -	\$ 1,213	\$ -
Storage	6,098	2,077	2,565	1,456
Telephone	129,991	44,275	54,674	31,042
Training	20,291	8,262	4,098	7,931
Travel expense	325,380	240,515	9,064	75,801
	<u>\$ 69,265,444</u>	<u>\$ 61,573,959</u>	<u>\$ 3,731,696</u>	<u>\$ 3,959,789</u>

The functional expense allocation at December 31, 2012, is as follows:

Description	Total Expenses	Program Services	Management and General	Fund Raising
Accounting and legal	\$ 24,483	\$ -	\$ 24,483	\$ -
Automobile expense	16,974	-	16,974	-
Bank and credit card fees	499,524	-	499,524	-
Building expenses	249,299	82,269	108,295	58,735
Café	11,518	-	11,518	-
Depreciation	522,640	172,472	227,034	123,134
Equipment repairs	4,076	1,345	1,771	960
Health insurance	825,006	272,252	358,383	194,371
Membership fees	14,027	1,877	10,273	1,877
Ministry presentations	2,854,452	1,406,287	50,133	1,398,032
Field support	54,407,632	54,407,632	-	-
Office supplies and expense	483,504	159,441	210,232	113,831
Operating supplies	46,723	15,421	20,294	11,008
Other costs and expenses	147,819	-	147,819	-
Payroll taxes	12,220	4,033	5,308	2,879
Planned giving expenses	24,233	-	-	24,233
Postage and freight	1,679,357	589,129	415,761	674,467
Printing costs	1,244,458	524,089	46,643	673,726
Staff costs	3,115,588	1,025,365	1,358,174	732,049
Staff recruitment	2,917	-	2,917	-

GOSPEL FOR ASIA, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE K – FUNCTIONAL EXPENSE ALLOCATION

Description	Total Expenses	Program Services	Management and General	Fund Raising
Storage	\$ 15,279	\$ 5,042	\$ 6,637	\$ 3,600
Telephone	105,636	34,860	45,888	24,888
Training	12,200	5,377	1,805	5,018
Travel expense	241,339	165,838	10,856	64,645
	<u>\$ 66,560,904</u>	<u>\$ 58,872,729</u>	<u>\$ 3,580,722</u>	<u>\$ 4,107,453</u>

NOTE L – CONTRIBUTIONS RECEIVABLE AND ACCRUED FIELD SUPPORT

Subsequent to December 31, 2013 and 2012, a significant amount of contributions were received with a postmark date of December 31 or prior. It is GFA's policy to include such contributions as current year revenue. Due to a large amount of cash received subsequent to December 31, 2013 and 2012, with a postmark of December 31 or prior but not yet recorded as cash, a receivable in the amount of \$3,025,953 and \$3,133,527 has been recorded as of December 31, 2013 and 2012, respectively. Consequently, since these contributions are not included in cash until a few days after December 31, 2013 and 2012, the field portion of these amounts is included in the accrued field support balances of \$5,455,256 and \$10,085,807, as of December 31, 2013 and 2012, respectively. The accrued field support amount represents 2013 and 2012 revenue received that was not disbursed to the field on or before December 31, 2013 and 2012. No allowance for doubtful accounts is necessary at December 31, 2013 and 2012.

NOTE M – NOTE RECEIVABLE

In December 2010, GFA sold real estate located in Kingman, AZ, that had been received as a gift in kind contribution in July 2010. GFA received a note receivable in the amount of \$324,000 in conjunction with the sale with an annual interest rate of 8%. The term of the note is 5.5 years and matures in June 2016. GFA receives monthly payments of \$5,600 on the note. GFA recorded interest income of \$14,309 and \$18,564 related to this note receivable as of December 31, 2013 and 2012, respectively.

GOSPEL FOR ASIA, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE N – CONSTRUCTION OF NEW HOME OFFICE

The Organization is constructing a new home office in East Texas. Land for the new office in the amount of \$1,104,398 is included in land, buildings and improvements at December 31, 2013 and 2012. Construction in progress costs totaling \$29,217,499 and \$5,015,495 are included in land, buildings and improvements at December 31, 2013 and 2012, respectively. Temporarily restricted net assets restricted to the new home office totaled \$7,301,819 and \$10,660,781 at December 31, 2013 and 2012.

NOTE O – SUBSEQUENT EVENTS

Subsequent to December 31, 2013, GFA incurred costs totaling approximately \$6,578,326 related to the construction of the new home office (Note N).

The Organization has evaluated and disclosed subsequent events up to and including June 13, 2014, which is the date the financial statements were approved and available for issuance.

ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Gospel for Asia, Inc., Founder Facing Class Action over RICO Violations](#)
