



**BARNABAS FUND, INC.
(T/A BARNABAS AID)**

CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
AUGUST 31, 2022 AND 2021**

BARNABAS FUND, INC
(T/A BARNABAS AID)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED AUGUST 31, 2022 AND 2021

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Independent Auditor's Report

To the Board of Directors of
Barnabas Fund, Inc.
(T/A Barnabas Aid)
McLean, Virginia

Opinion

We have audited the accompanying consolidated financial statements of Barnabas Fund, Inc. (T/A Barnabas Aid) (a nonprofit organization) and affiliate, which comprise the consolidated statements of financial position as of August 31, 2022 and 2021, the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Barnabas Fund, Inc. and affiliate as of August 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Barnabas Fund, Inc. and affiliate and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Barnabas Fund, Inc. and affiliate's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Barnabas Fund, Inc. and affiliate's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Barnabas Fund, Inc. and affiliate's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Alta CPA Group, LLC

January 10, 2023

BARNABAS FUND, INC.
(T/A BARNABAS AID)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 941,377	\$ 606,573
Accounts Receivable	31,601	22,734
Inventory	<u>199,591</u>	<u>188,412</u>
Total Current Assets	1,172,569	817,719
Property and Equipment:		
Furniture and Equipment	145,618	143,493
Accumulated Depreciation	<u>(115,372)</u>	<u>(113,597)</u>
Net Property and Equipment	<u>30,246</u>	<u>29,896</u>
Total Assets	<u>\$ 1,202,815</u>	<u>\$ 847,615</u>
<u>LIABILITIES AND NET DEFICITS</u>		
Current Liabilities:		
Accounts Payable	\$ 197,221	\$ 196,600
Due to Nexcus International	<u>1,074,842</u>	<u>1,300,245</u>
Total Current Liabilities	<u>1,272,063</u>	<u>1,496,845</u>
Total Liabilities	1,272,063	1,496,845
Net Assets (Deficits):		
Without Donor Restrictions	(69,248)	(649,230)
With Donor Restrictions	<u>-</u>	<u>-</u>
Total Net Assets (Deficits)	<u>(69,248)</u>	<u>(649,230)</u>
Total Liabilities and Net Deficits	<u>\$ 1,202,815</u>	<u>\$ 847,615</u>

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

BARNABAS FUND, INC.
(T/A BARNABAS AID)
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE:			
Contributions	\$ 1,917,950	\$ 2,089,890	\$ 4,007,840
Contributions from Nexcus International for Barnabas Aid	2,444,470	-	2,444,470
Sales of Books, Net of Returns	33,161	-	33,161
Net Assets Released from Restrictions	<u>2,089,890</u>	<u>(2,089,890)</u>	<u>-</u>
Total Revenue	6,485,471	-	6,485,471
EXPENSES:			
Program Expenses:			
Grants for Overseas Projects	4,007,823	-	4,007,823
Other Program Expenses	<u>1,238,173</u>	<u>-</u>	<u>1,238,173</u>
Total Program Expenses	5,245,996	-	5,245,996
Fund Raising	507,300	-	507,300
General and Administrative	<u>152,193</u>	<u>-</u>	<u>152,193</u>
Total Expenses	<u>5,905,489</u>	<u>-</u>	<u>5,905,489</u>
CHANGE IN NET DEFICIT	579,982	-	579,982
Net Deficit, Beginning of Year	<u>(649,230)</u>	<u>-</u>	<u>(649,230)</u>
Net Deficit, End of Year	<u>\$ (69,248)</u>	<u>\$ -</u>	<u>\$ (69,248)</u>

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

BARNABAS FUND, INC.
(T/A BARNABAS AID)
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE:			
Contributions	\$ 1,435,564	\$ 1,533,207	\$ 2,968,771
Contributions from Nexcus International for Barnabas Aid	1,420,099	-	1,420,099
Sales of Books, Net of Returns	26,352	-	26,352
Other Income	950	-	950
Net Assets Released from Restrictions	<u>1,533,207</u>	<u>(1,533,207)</u>	<u>-</u>
 Total Revenue	 4,416,172	 -	 4,416,172
EXPENSES:			
Program Expenses:			
Grants for Overseas Projects	2,970,587	-	2,970,587
Other Program Expenses	<u>1,204,363</u>	<u>-</u>	<u>1,204,363</u>
 Total Program Expenses	 4,174,950	 -	 4,174,950
 Fund Raising	 421,568	 -	 421,568
General and Administrative	<u>156,238</u>	<u>-</u>	<u>156,238</u>
 Total Expenses	 <u>4,752,756</u>	 <u>-</u>	 <u>4,752,756</u>
 CHANGE IN NET DEFICIT	 (336,584)	 -	 (336,584)
 Net Deficit, Beginning of Year	 <u>(312,646)</u>	 <u>-</u>	 <u>(312,646)</u>
 Net Deficit, End of Year	 <u>\$ (649,230)</u>	 <u>\$ -</u>	 <u>\$ (649,230)</u>

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

BARNABAS FUND, INC.
(T/A BARNABAS AID)
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2022

	<u>Program Services</u>	<u>Fund Raising</u>	<u>General and Administrative</u>	<u>Total Expenses</u>
Payment to Affiliate - International Aid Projects	\$ 4,007,823	\$ -	\$ -	\$ 4,007,823
Other Expenses:				
Accounting and Audit Fees	-	-	8,000	8,000
Bank Charges and Processing Fees	-	158,666	24	158,690
Cost of Sales - Isaac Publishing	12,344	-	-	12,344
Depreciation	976	568	231	1,775
Insurance	12,702	7,390	3,002	23,094
Legal and Professional Fees	(1,443)	(839)	(341)	(2,623)
Marketing and Public Relations	103,096	59,983	24,368	187,447
Occupancy	57,858	33,663	13,676	105,197
Payroll Taxes	9,884	5,751	2,336	17,971
Postage and Delivery	263,197	153,132	62,210	478,539
Printing and Publications	633,067	9,739	6,493	649,299
Operating Expenses - Isaac Publishing	10,294	-	-	10,294
Salaries and Benefits	115,210	67,032	27,232	209,474
Software Training and Maintenance	4,646	2,703	1,098	8,447
Supplies and Office Expenses	3,718	2,164	879	6,761
Telephone	2,630	1,530	622	4,782
Travel	9,994	5,818	2,363	18,175
Total Other Expenses	<u>1,238,173</u>	<u>507,300</u>	<u>152,193</u>	<u>1,897,666</u>
Total Expenses	<u>\$ 5,245,996</u>	<u>\$ 507,300</u>	<u>\$ 152,193</u>	<u>\$ 5,905,489</u>

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

BARNABAS FUND, INC.
(T/A BARNABAS AID)
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2021

	<u>Program Services</u>	<u>Fund Raising</u>	<u>General and Administrative</u>	<u>Total Expenses</u>
Payment to Affiliate - International Aid Projects	\$ 2,970,587	\$ -	\$ -	\$ 2,970,587
Other Expenses:				
Accounting and Audit Fees	-	-	8,800	8,800
Bank Charges and Processing Fees	-	64,699	101	64,800
Cost of Sales - Isaac Publishing	9,202	-	-	9,202
Depreciation	976	568	231	1,775
Insurance	14,162	8,239	3,347	25,748
Legal and Professional Fees	14,351	8,350	3,392	26,093
Marketing and Public Relations	141,216	82,162	33,378	256,756
Occupancy	57,338	33,360	13,553	104,251
Payroll Taxes	11,653	6,780	2,754	21,187
Postage and Delivery	210,931	122,724	49,856	383,511
Printing and Publications	589,025	9,062	6,041	604,128
Operating Expenses - Isaac Publishing	8,120	-	-	8,120
Salaries and Benefits	129,720	75,473	30,661	235,854
Software Training and Maintenance	5,997	3,490	1,418	10,905
Supplies and Office Expenses	3,675	2,008	816	6,499
Telephone	2,277	1,325	538	4,140
Travel	5,720	3,328	1,352	10,400
Total Other Expenses	<u>1,204,363</u>	<u>421,568</u>	<u>156,238</u>	<u>1,782,169</u>
Total Expenses	<u>\$ 4,174,950</u>	<u>\$ 421,568</u>	<u>\$ 156,238</u>	<u>\$ 4,752,756</u>

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

BARNABAS FUND, INC.
(T/A BARNABAS AID)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Contributions Received	\$ 4,007,840	\$ 2,968,771
Support from Nexcus International	2,444,470	1,420,099
Sales Receipts	33,161	26,352
Other Income	-	950
Payments to Vendors, Suppliers and Employees	<u>(6,148,542)</u>	<u>(4,063,437)</u>
Net Cash Provided by Operating Activities	336,929	352,735
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	<u>(2,125)</u>	<u>-</u>
Net Cash Used by Investing Activities	(2,125)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
	<u>-</u>	<u>-</u>
Net Increase in Cash and Cash Equivalents	334,804	352,735
CASH AND CASH EQUIVALENTS		
Beginning of Year	<u>606,573</u>	<u>253,838</u>
End of Year	<u>\$ 941,377</u>	<u>\$ 606,573</u>
RECONCILIATION OF CHANGE IN NET DEFICIT TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Change in Net Deficit	\$ 579,982	\$ (336,584)
Adjustments:		
Depreciation Expense	1,775	1,775
Decrease (Increase) in Assets:		
Accounts Receivable	(8,867)	(11,791)
Inventory	(11,179)	(30,701)
Increase (Decrease) in Liabilities:		
Accounts Payable	621	50,059
Due to Nexcus International	<u>(225,403)</u>	<u>679,977</u>
Net Cash Provided by Operating Activities	<u>\$ 336,929</u>	<u>\$ 352,735</u>

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

BARNABAS FUND, INC.
(T/A BARNABAS AID)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2022 AND 2021

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES

Purpose

Barnabas Fund, Inc. (T/A Barnabas Aid) (the Organization) and affiliate was organized to support Christians around the world, where they are in a minority and suffer discrimination, oppression, and persecution as a consequence of their faith. The Organization is supported primarily by contributions from the general public, churches, and other organizations.

In February 2009, the Organization incorporated a limited liability company, Isaac Publishing LLC, under the law of Virginia. The Organization is the sole member of Isaac Publishing LLC. The purpose of the company is to print, publish and sell religious related books and publications to further Barnabas Fund, Inc. (T/A Barnabas Aid)'s mission.

Operations

The Organization works closely with Nexcus International a charity established in the United States whose objectives are very similar to those of the Organization. The Organization distributes the majority of the contributions received to Nexcus International for onward transmission to beneficiaries in over sixty different countries. Nexcus International supports the Organization by way of grants, which are shown separately on these consolidated financial statements, and by providing administrative support for operations.

Basis of Consolidation

All significant intercompany transactions between the Organization and Isaac Publishing, LLC, have been eliminated in the consolidated financial statements.

Method of Accounting

The consolidated financial statements have been presented on the accrual basis of accounting in accordance with generally accepted accounting principles. The significant accounting policies that follow are provided to enhance the usefulness of the consolidated financial statements to the reader.

Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

BARNABAS FUND, INC.
(T/A BARNABAS AID)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2022 AND 2021

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, cash and cash equivalents are considered to be the amounts in checking accounts, savings accounts and short-term money market accounts.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on experience and other circumstances which may affect the ability of customers to meet their obligations. Receivables are considered delinquent if full principal payments are not received in accordance with contractual terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. Management considered all receivables collectible.

BARNABAS FUND, INC.
(T/A BARNABAS AID)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2022 AND 2021

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying consolidated statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The consolidated statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas. Expenses which benefit more than one function are allocated on a reasonable basis that is consistently applied; the basis of allocation is estimates of time and effort maintained by each employee.

Inventory

Inventory consisted of books and publications. Inventories are recorded at lower of cost or market on the first-in-first-out method.

Property and Equipment

Property and equipment are recorded at cost if purchased, or market value at time of donation if donated, and are depreciated using the straight line method of depreciation over the estimated useful lives of the assets. Purchases are capitalized if the useful life of the property or equipment exceeds one year. Repair and maintenance costs are expensed as they occur. The useful life of the building is estimated at thirty years. The useful life of furniture and equipment varies from five to seven years.

Tax Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income, if any, from unrelated business activities, and is classified as an organization that is not a private foundation.

The Organization's informational return filings are subject to audit by the Internal Revenue Service, generally for three years after filing.

Subsequent Events

The Organization evaluated subsequent events through the date that the consolidated financial statements were available to be issued. The Organization is not aware of any significant events that occurred subsequent to the consolidated statement of financial position date but prior to January 10, 2023, that would have a material impact on the consolidated financial statements.

BARNABAS FUND, INC.
(T/A BARNABAS AID)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2022 AND 2021

NOTE 2 - SHIPPING AND HANDLING COSTS

It is the Organization's policy to classify shipping and handling costs based on its functional areas to program services, fund raising, or general and administrative expenses. The total shipping and delivery costs of \$478,539 and \$383,511 and for the years ended August 31, 2022 and 2021, respectively, are classified in the consolidated statements of functional expenses as postage and delivery.

NOTE 3 - LIQUIDITY AND AVAILABILITY

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$ 941,377	\$ 606,573
Accounts Receivable	<u>31,601</u>	<u>22,734</u>
Total Current Financial Assets at Year End	<u>972,978</u>	<u>629,307</u>
Total Financial Assets Available for General Expenditure Within One Year	\$ <u>972,978</u>	\$ <u>629,307</u>

NOTE 4 - ISAAC PUBLISHING, LLC

The financial activity for Isaac Publishing LLC, whose sole member is Barnabas Aid, is included in the consolidated financial statements. During the years ended August 31, 2022 and 2021, the activity for Isaac Publishing, LLC was as follows:

	<u>2022</u>	<u>2021</u>
Total Sales of Inventory	\$ 33,161	\$ 26,352
Total Cost of Sales	<u>(12,344)</u>	<u>(9,202)</u>
Gross Profit	20,817	17,150
Operating Expenses	<u>(10,294)</u>	<u>(8,120)</u>
Net Surplus (Deficit)	\$ <u>10,523</u>	\$ <u>9,030</u>