

The logo for The Joshua Fund features a stylized blue wave above a large, bold, black letter 'J'. To the right of the 'J', the words 'OSHUA FUND' are written in a smaller, black, serif font. The word 'The' is in a smaller, black, serif font to the left of the 'J'.

# The JOSHUA FUND

Consolidated Financial Statements  
With Independent Auditors' Report

September 30, 2023 and 2022

# THE JOSHUA FUND

## Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Consolidated Financial Statements	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statement of Functional Expenses for the year ended September 30, 2023	5
Consolidated Statement of Functional Expenses for the year ended September 30, 2022	6
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8

## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
The Joshua Fund  
McLean, Virginia

### ***Opinion***

We have audited the accompanying consolidated financial statements of The Joshua Fund and its subsidiary, which comprise the consolidated statements of financial position as of September 30, 2023 and 2022, and the related consolidated statements of activities, 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 The Joshua Fund and its subsidiary as of September 30, 2023 and 2022, 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 *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of The Joshua Fund and its subsidiary 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 these 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 The Joshua Fund and its subsidiary's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Board of Directors  
The Joshua Fund  
McLean, Virginia

***Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the 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 The Joshua Fund and its subsidiary'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 The Joshua Fund and its subsidiary'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.

*Capin Crouse LLP*

Colorado Springs, Colorado  
February 20, 2024

# THE JOSHUA FUND

## Consolidated Statements of Financial Position

	September 30,	
	<u>2023</u>	<u>2022</u>
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 384,345	\$ 3,104,067
Restricted cash	33,142	33,005
Certificates of deposit	1,490,803	1,495,284
Prepaid expenses and other assets	341,553	380,639
Property and equipment—net	<u>7,107</u>	<u>1,810</u>
Total Assets	<u>\$ 2,256,950</u>	<u>\$ 5,014,805</u>
<b>LIABILITIES AND NET ASSETS:</b>		
Liabilities:		
Accounts payable and accrued expenses	<u>\$ 267,848</u>	<u>\$ 760,663</u>
Net assets:		
Without donor restrictions:		
Operating	962,182	3,056,220
Board designated	<u>1,000,000</u>	<u>1,000,000</u>
	<u>1,962,182</u>	<u>4,056,220</u>
With donor restrictions	<u>26,920</u>	<u>197,922</u>
Total net assets	<u>1,989,102</u>	<u>4,254,142</u>
Total Liabilities and Net Assets	<u>\$ 2,256,950</u>	<u>\$ 5,014,805</u>

See notes to consolidated financial statements

# THE JOSHUA FUND

## Consolidated Statements of Activities

	Year Ended September 30,					
	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING:						
Support and Revenue:						
Contributions	\$ 6,117,671	\$ 250,338	\$ 6,368,009	\$ 6,647,403	\$ 381,639	\$ 7,029,042
Contributed services and goods	128,096	-	128,096	182,560	-	182,560
Interest income and other losses	198,818	-	198,818	(13,143)	-	(13,143)
Total Support and Revenue	6,444,585	250,338	6,694,923	6,816,820	381,639	7,198,459
Net Assets Released:						
Purpose restrictions	421,340	(421,340)	-	300,541	(300,541)	-
Expenses:						
Program services	7,208,967	-	7,208,967	6,112,771	-	6,112,771
Supporting activities:						
General and administrative	1,399,238	-	1,399,238	1,177,105	-	1,177,105
Fundraising	351,758	-	351,758	323,512	-	323,512
Total Expenses	8,959,963	-	8,959,963	7,613,388	-	7,613,388
Change in Net Assets	(2,094,038)	(171,002)	(2,265,040)	(496,027)	81,098	(414,929)
Net Assets, Beginning of Year	4,056,220	197,922	4,254,142	4,552,247	116,824	4,669,071
Net Assets, End of Year	\$ 1,962,182	\$ 26,920	\$ 1,989,102	\$ 4,056,220	\$ 197,922	\$ 4,254,142

See notes to consolidated financial statements

# THE JOSHUA FUND

## Consolidated Statement of Functional Expenses

Year Ended September 30, 2023

	Program Services	Supporting Activities		Total Expenses
		General and Administrative	Fundraising	
Grants and contracts	\$ 4,869,597	\$ -	\$ -	\$ 4,869,597
Salaries and benefits	1,094,720	645,542	51,724	1,791,986
Travel and hospitality	642,540	101,345	28,232	772,117
Communications	393,771	39,375	172,687	605,833
Professional services	76,546	232,175	63,604	372,325
Fees and insurance	16,813	148,430	-	165,243
Information technology	35,953	78,648	26	114,627
Organizational expenses	-	107,668	4,391	112,059
Office expenses	42,770	31,681	31,094	105,545
Equipment and facilities	27,027	3,766	-	30,793
Other operating expenses	8,503	9,445	-	17,948
Depreciation and amortization	727	1,163	-	1,890
	\$ 7,208,967	\$ 1,399,238	\$ 351,758	\$ 8,959,963

See notes to consolidated financial statements

# THE JOSHUA FUND

## Consolidated Statement of Functional Expenses

Year Ended September 30, 2022

	Program Services	Supporting Activities		Total Expenses
		General and Administrative	Fundraising	
Grants and contracts	\$ 4,394,350	\$ -	\$ -	\$ 4,394,350
Salaries and benefits	862,665	562,015	43,278	1,467,958
Travel and hospitality	287,483	71,266	17,018	375,767
Communications	425,824	39,761	157,866	623,451
Professional services	58,222	190,108	60,553	308,883
Fees and insurance	1,101	166,380	-	167,481
Information technology	23,797	65,663	3,476	92,936
Organizational expenses	-	50,551	2,910	53,461
Office expenses	22,941	20,099	38,245	81,285
Equipment and facilities	32,166	7,405	-	39,571
Other operating expenses	2,756	2,694	166	5,616
Depreciation and amortization	1,466	1,163	-	2,629
	\$ 6,112,771	\$ 1,177,105	\$ 323,512	\$ 7,613,388

See notes to consolidated financial statements



# THE JOSHUA FUND

## Consolidated Statements of Cash Flows

	Year Ended September 30,	
	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (2,265,040)	\$ (414,929)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	1,890	2,629
Loss on certificates of deposit	21,609	32,746
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	39,086	(322,844)
Accounts payable and accrued expenses	(492,815)	394,517
Net Cash Used by Operating Activities	(2,695,270)	(307,881)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of certificates of deposit	1,470,000	847,000
Purchases of certificates of deposit	(1,487,128)	(747,000)
Purchases of property and equipment	(7,187)	-
Net Cash Provided (Used) by Investing Activities	(24,315)	100,000
Net Change in Cash and Cash Equivalents and Restricted Cash	(2,719,585)	(207,881)
Cash and Cash Equivalents and Restricted Cash, Beginning of Year	3,137,072	3,344,953
Cash and Cash Equivalents and Restricted Cash, End of Year	\$ 417,487	\$ 3,137,072
<b>CASH AND CASH EQUIVALENTS AND RESTRICTED CASH CONSISTS OF:</b>		
Cash and Cash Equivalents	\$ 384,345	\$ 3,104,067
Restricted Cash	33,142	33,005
	\$ 417,487	\$ 3,137,072

See notes to consolidated financial statements

# THE JOSHUA FUND

## Notes to Consolidated Financial Statements

September 30, 2023 and 2022

### 1. NATURE OF ORGANIZATION:

The Joshua Fund (TJF) is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state laws. However, TJF is subject to federal income tax on any unrelated business taxable income. In addition, TJF is not classified as a private foundation within the meaning of Section 509(a) of the IRC. TJF was founded in 2006 to bless Israel and her neighbors in the name of Jesus, according to Genesis 12:1-3. Blessing Israel and the nations of the Middle East means praying for the peace of Jerusalem, bringing good news to the afflicted, caring for the poor, and being a light to the nations of the Middle East. TJF relies primarily on contributions to operate and conduct its programs and activities.

In 2013, TJF established a limited liability corporation (LLC) incorporated in the State of Delaware, established in order to further TJF's missions to the Middle East. The financial resources of the LLC noted above are consolidated in these financial statements because TJF is the sole member.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

TJF maintains its accounts and prepares its consolidated financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures 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. The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader.

#### PRINCIPLES OF CONSOLIDATION

The consolidated financial statements as of and for the years ended September 30, 2023 and 2022 include the financial resources and activities of TJF and the LLC. All material transactions and balances between TJF and the LLC have been eliminated in the consolidation. TJF and the LLC will collectively be referred to as TJF.

#### CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash and short-term, highly liquid investments with an original maturity term of three months or less. TJF has cash and cash equivalents on deposit with financial institutions that exceeded federally insured limits by approximately \$0 and \$322,000, as of September 30, 2023 and 2022, respectively.

#### RESTRICTED CASH

Restricted cash consists of funds on deposit with a financial institution as collateral for foreign currency exchange transactions.

# THE JOSHUA FUND

## Notes to Consolidated Financial Statements

September 30, 2023 and 2022

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### CERTIFICATES OF DEPOSIT

Certificates of deposit consist of certificates of deposit with an original maturity term of more than three months. Certificates of deposit that have a secondary market are held at fair value (Level 2), and other certificates of deposits are carried at cost, plus any accrued interest. As of September 30, 2023 and 2022, TJF had \$1,458,573 and \$1,463,086, respectively, of certificates of deposit held at fair value and \$32,230 and \$32,198, respectively, of certificates of deposit held at cost plus accrued interest.

#### PROPERTY AND EQUIPMENT

TJF capitalizes property and equipment purchases exceeding \$3,000 and expenses lesser amounts in the year purchased. Property and equipment are recorded at cost. Donated items are recorded at their fair market value on the date of the gift. Depreciation and amortization is computed on the straight-line method over the estimated useful lives of three to ten years.

#### CLASSES OF NET ASSETS

The net assets of TJF are reported in the following classes:

*Net assets without donor restrictions* are currently available at the discretion of the board for use in TJF's operations.

*Net assets with donor restrictions* include resources restricted by donors primarily for use with certain projects.

# THE JOSHUA FUND

## Notes to Consolidated Financial Statements

September 30, 2023 and 2022

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### SUPPORT AND REVENUE

Contributions are recorded when made, which may be when cash and other assets are received or when unconditionally promised. Contributions of goods, services, and other assets are recorded at the fair market value at the time of the gift. TJF reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the contributed amounts. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. All contributions are considered available for use without donor restrictions unless specifically restricted by the donor.

Contributed services of \$112,400 and \$182,560 represent consulting services received during the years ended September 30, 2023 and 2022, respectively. The services are recognized based on estimates of the fair market value of the services received. TJF also received donated goods of \$15,696 and \$0 during the years ended September 30, 2023 and 2022, respectively. The goods are recognized based on estimates of the fair market value of the goods received based on markets in the United States, and all goods were monetized in the year received. The contributed services and goods received during the years ended September 30, 2023 and 2022 did not have any donor-imposed restrictions.

#### FUNCTIONAL ALLOCATION OF EXPENSES

The consolidated statements of functional expenses report certain categories of expenses that are attributable to program or support activities of TJF. These expenses include depreciation and amortization, which are allocated based on the useful lives of the assets. Salaries and benefits are allocated based on time and effort, and costs of other categories are allocated based on the purpose of the expense.

#### RECENTLY ADOPTED ACCOUNTING STANDARD

In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842 of the ASC). The amendments in this update require organizations that lease assets to recognize on the consolidated statements of financial position the assets and liabilities for the rights and obligations created by the leases. A lessee is required to recognize assets and liabilities for leases with terms of more than 12 months. The amendments are effective for fiscal years beginning after December 15, 2021. TJF evaluated all lease agreements under this new standard and concluded that any right-of-use assets and liabilities are immaterial, individually and in aggregate, to the consolidated financial statements as a whole. Therefore, no such right-of-use asset or liability has been recorded for the year ended September 30, 2023.

# THE JOSHUA FUND

## Notes to Consolidated Financial Statements

September 30, 2023 and 2022

### 3. LIQUIDITY AND FUNDS AVAILABLE:

The following table reflects TJF's financial assets as of September 30, 2023 and 2022, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year or when the governing board has set aside the funds for specific contingency reserves and projects. TJF structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Because TJF provides resources to partners in a region of the world that sometimes experiences unrest, TJF endeavors to keep adequate liquidity to meet short-term critical and humanitarian needs emanating from crisis events. Management monitors cash flows closely through board meetings and detailed financial analysis.

	September 30,	
	2023	2022
Financial assets:		
Cash and cash equivalents	\$ 384,345	\$ 3,104,067
Restricted cash	33,142	33,005
Certificates of deposit	1,490,803	1,495,284
Financial assets, at year-end	1,908,290	4,632,356
Less those unavailable for general expenditures within one year, due to:		
Restricted cash	(33,142)	(33,005)
Board designations	(1,000,000)	(1,000,000)
Financial assets available to meet cash needs for general expenditures within one year	\$ 875,148	\$ 3,599,351

### 4. PROPERTY AND EQUIPMENT—NET:

Property and equipment—net consists of:

	September 30,	
	2023	2022
Software	\$ 198,669	\$ 198,669
Website development	37,190	37,190
Furniture, fixtures, and equipment	13,047	5,861
	248,906	241,720
Less: Accumulated depreciation and amortization	(241,799)	(239,910)
	\$ 7,107	\$ 1,810

# THE JOSHUA FUND

## Notes to Consolidated Financial Statements

September 30, 2023 and 2022

5. BOARD DESIGNATED:

TJF had board designated net assets of \$1,000,000 as of September 30, 2023 and 2022. The balance consists of board designated funds for safety reserves.

6. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of the following:

	September 30,	
	2023	2022
Relief and humanitarian aid	\$ 14,910	\$ 108,083
Advocacy and education	6,510	-
Evangelism and discipleship	5,500	89,839
	<u>\$ 26,920</u>	<u>\$ 197,922</u>

7. JOINT COST ALLOCATION:

During the year ended September 30, 2022, TJF incurred joint costs for an event that included fundraising appeals. For the year ended September 30, 2022, costs associated with the event have been allocated in the consolidated statement of activities according to functional classifications as follows:

Program services	\$ 198,774
General and administrative	21,598
Fundraising	57,482
	<u>\$ 277,854</u>

For the year ended September 30, 2023, TJF did not incur any joint costs.

# THE JOSHUA FUND

## Notes to Consolidated Financial Statements

September 30, 2023 and 2022

### 8. RELATED PARTIES:

Approximately \$8,085 (0.1%) and \$96,700 (1.3%) of contribution revenue was received from related parties, including certain members of the Board of Directors and their immediate family members, during the years ended September 30, 2023 and 2022, respectively.

TJF shares a common member of its Board of Directors with The Joshua Fund (R.A.) (TJFRA). In addition, the President of TJF is a member of the Board of Directors of TJFRA. During the years ended September 30, 2023 and 2022, TJF granted funds totaling approximately \$1,390,000 and \$1,260,000, respectively, to TJFRA. As of September 30, 2023 and 2022, TJF owed \$0 and \$184,5888, respectively, to TJFRA, which represented the amount unconditionally granted to TJFRA but not yet disbursed. These amounts are included within accounts payable and accrued expenses on the consolidated statements of financial position.

As of September 30, 2023 and 2022, TJF had also unconditionally granted but not yet disbursed \$0 and \$150,000, respectively, to another organization with common board members. These amounts are included within accounts payable and accrued expenses on the consolidated statements of financial position.

TJF shares a common member of its Board of Directors with Near East Media (NEM). During the years ended September 30, 2023 and 2022, TJF granted funds totaling approximately \$1,000,000 and \$250,000, respectively, to NEM.

### 9. RETIREMENT PLAN:

TJF sponsors a 401(k) defined contribution plan for all employees who are over the age of 21 and have worked at TJF for at least six months, but are not fully vested until one year of service. TJF provides a direct match up to 3% of employee contributions and 1/2 match of employee contributions between 3% and 5%. Total contributions were \$39,761 and \$28,472 for the years ended September 30, 2023 and 2022, respectively.

### 10. SUBSEQUENT EVENTS:

TJF experienced a significant subsequent event one week after the close of the year ended September 30, 2023, when the Hamas terrorist organization launched a historic attack on Southern Israel from the Gaza Strip on October 7th, 2023. This attack initiated a major war in Israel that is still underway as of the completion of these consolidated financial statements. TJF received significant donor generosity in response to the conflict, as well as the opening of many new ministry opportunities to serve those affected by the war. The first three months of TJF's 2024 fiscal year have been the highest in donation revenue since TJF's inception.

Subsequent events were evaluated through February 20, 2024, which is the date the consolidated financial statements were available to be issued.