

THE LION OF JUDAH MINISTRIES, INC.

FINANCIAL STATEMENTS

Year Ended December 31, 2012

THE LION OF JUDAH MINISTRIES, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Lion of Judah Ministries Inc.

We have audited the accompanying financial statements of The Lion of Judah Ministries Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2012, 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 audit. 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.

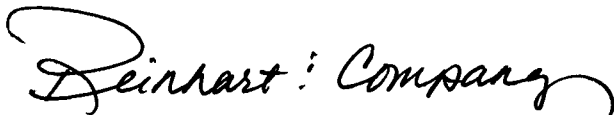
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Lion of Judah Ministries Inc. as of December 31, 2012, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 10 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Reinhardt & Company". The signature is written in black ink and is positioned above the printed text of the firm's name and location.

Boyertown, Pennsylvania
July 29, 2013

THE LION OF JUDAH MINISTRIES, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2012

ASSETS

Current Assets	
Cash - Note #4	<u>\$ 32,515</u>
Total Assets	<u><u>\$ 32,515</u></u>

LIABILITIES

Funds Held On Behalf Of Others - Note #5	<u>\$ 100</u>
Total Liabilities	<u> 100</u>

NET ASSETS

Unrestricted	<u> 32,415</u>
Total Net Assets	<u> 32,415</u>
Total Liabilities And Net Assets	<u><u>\$ 32,515</u></u>

"THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS"

THE LION OF JUDAH MINISTRIES, INC.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2012

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
Public Support, Revenues, And Other Support			
Contributions			
Individuals, Trusts, Churches	\$ 100,276	\$ 0	\$ 100,276
Combined Federal Campaign	12,344	0	12,344
Interest Income	194	0	194
	<u>112,814</u>	<u>0</u>	<u>112,814</u>
Total Public Support, Revenues, And Other Support	112,814	0	112,814
Net Assets Released From Restrictions	<u>25,000</u>	<u>(25,000)</u>	<u>0</u>
Total Support And Revenues	137,814	(25,000)	112,814
Expenses			
Program Services	134,151	0	134,151
Management And General	2,685	0	2,685
Fundraising	1,542	0	1,542
	<u>138,378</u>	<u>0</u>	<u>138,378</u>
Total Expenses	138,378	0	138,378
Changes In Net Assets	<u>(564)</u>	<u>(25,000)</u>	<u>(25,564)</u>
Net Assets, Beginning	<u>32,979</u>	<u>25,000</u>	<u>57,979</u>
Net Assets, Ending	<u>\$ 32,415</u>	<u>\$ 0</u>	<u>\$ 32,415</u>

"THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS"

THE LION OF JUDAH MINISTRIES, INC.
STATEMENT OF CASH FLOWS
Year Ended December 31, 2012

Cash Flows From Operating Activities	
Changes In Net Assets	\$ (25,564)
Changes In	
Increase/(Decrease) In Other Current Liabilities	<u>100</u>
Net Cash Provided (Used) By Operating Activities	<u>(25,464)</u>
Net Increase (Decrease) In Cash	(25,464)
Cash And Cash Equivalents At Beginning Of Year	<u>57,979</u>
Cash And Cash Equivalents At End Of Year	<u><u>\$ 32,515</u></u>

"THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS"

THE LION OF JUDAH MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

Note #1 - Organization And Nature Of Activities

The Lion Of Judah Ministries, Inc. is a publicly supported nonprofit organization incorporated in the state of Connecticut that exists to support the work of The Lion of Judah Academy and other similar Christian ministries in Tanzania (East Africa). The entity provides resources to Africans and missionaries in Africa, who are working in areas such as education, poverty, relief, health care, HIV/AIDS, and others. The entity relies on support in the form of contributions from individuals, trusts and churches.

Note #2 - Summary Of Significant Accounting Policies

Method Of Accounting

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

Financial Statement Presentation

As required by the Balance Sheet Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification, the entity reports information regarding its financial position and activities according to three classes of net assets as follows:

Unrestricted

Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted

Net assets whose use by the entity is subject to donor-imposed restrictions that can be fulfilled by actions of the entity pursuant to those restrictions or that expire by the passage of time. At December 31, 2012, temporarily restricted net assets total \$ 0.

Permanently Restricted

Net assets subject to donor-imposed restrictions that they be maintained permanently by the entity. Generally, the donors of these assets permit the entity to use all or part of the income on these assets. At December 31, 2012, there were no permanently restricted net assets.

Expenses are reported as decreases in unrestricted net assets. Expirations of donor-imposed restrictions that simultaneously increase one class of net assets and decrease another are reported as reclassifications between the applicable classes of net assets. Donor-restricted contributions are reported as unrestricted operating revenue when the restriction is satisfied.

Income Tax Status

The entity is exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the entity qualifies for the charitable contributions deduction under Section 170(b)(1)(a).

Income Tax Position

The entity has evaluated its tax position and determined that it does not have any uncertain tax position that meets the criteria under Accounting Standards Codification Topic 740, *Income Taxes*.

THE LION OF JUDAH MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2012
(Continued)

Note #2 - Summary Of Significant Accounting Policies (Continued)

Use Of Estimates

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

Fair Value of Financial Instruments

As required by the Financial Instruments Topic of the FASB Accounting Standards Codification the entity discloses the fair value of certain financial instruments including cash. The estimated fair value amounts have been determined by the entity using available market information and appropriate valuation methodologies. The carrying values of this financial instrument approximate their fair value.

Contributions

Contributions are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of donor restrictions as required by the Revenue Recognition Topic of the FASB Accounting Standards Codification. Contributions are required to be reported as permanently restricted support or as temporarily restricted and then reclassified to unrestricted net assets upon expiration of time restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire on the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Contributed Services

The entity's Board of Directors and volunteers donate significant amounts of time to the various programs and operations of the entity. Contributed services that (a) create or improve long-lived assets or (b) require specialized skills provided by individuals possessing those skills that would typically need to be purchased if not provided by donation meet the requirement for recognition in the financial statements. The value of services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the schedule of functional expenses. Accordingly, certain costs have been allocated among program and supporting services according to management estimates.

Advertising

Advertising costs are expensed in the year incurred.

Cash And Cash Equivalents

For the purpose of the statement of cash flows, the entity considers all checking and money market accounts to be cash equivalents.

THE LION OF JUDAH MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2012
(Continued)

Note #2 - Summary Of Significant Accounting Policies (Continued)

Date of Management Review

Management has evaluated subsequent events through July 29, 2013, the date on which the financial statements were available to be issued.

Note #3 - Components of Program Services

The entity distributes grants to the Lion of Judah Academy, a school for 600+ disadvantaged children located in Bulima, Tanzania. The entity provides substantial assistance for educational costs as well as capital improvements including constructing classrooms, dormitories, teacher facilities and helping to supply safe water.

The entity also organizes and supports mission trips to the school for teacher training and support, to work with students and to assist with the construction and maintenance of the facilities.

A student exchange program with The King's Academy in Mohrsville, Pennsylvania has been developed in which their students and staff visited the school in Tanzania and a student from The Lion Of Judah Academy in Tanzania studied for one year at the King's Academy in Pennsylvania. Grants are provided to cover the transportation costs of The Lion of Judah Academy student for round trip travel to the United States of America.

Note #4 - Cash

Cash includes \$ 22,319 in a non-interest bearing checking account and \$ 10,196 in an interest-bearing account at December 31, 2012.

Note #5 - Funds Held On Behalf Of Others

The entity has volunteered to collect monies for the Faraja Orphans Rescue Ministry (FORM). This charitable organization was established in 2005 to provide relief and comfort to orphan children in Tanzania. At December 31, 2012, \$ 100 is available for FORM.

SUPPLEMENTAL INFORMATION

THE LION OF JUDAH MINISTRIES, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
Year Ended December 31, 2012

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUND RAISING	TOTAL
Advertising	\$ 1,345	\$ 0	\$ 1,345	\$ 2,690
Banking Charges	102	155	0	257
Fees	0	236	0	236
Lion of Judah Academy Direct Support	110,500	0	0	110,500
Miscellaneous Expenses	0	16	0	16
Missionaries And Mission Trips	21,499	0	0	21,499
Office Supplies	0	28	55	83
Postage	0	0	142	142
Professional Fees	0	2,250	0	2,250
Telephone	140	0	0	140
Website	565	0	0	565
	<u>565</u>	<u>0</u>	<u>0</u>	<u>565</u>
Total Expenses	<u>\$ 134,151</u>	<u>\$ 2,685</u>	<u>\$ 1,542</u>	<u>\$ 138,378</u>

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