

September 15, 2015

Mr. Dan Busby and Mr. John Van Drunen
Evangelical Council for Financial Accountability
440 West Jubal Early Drive, Suite 100
Winchester, VA 22601

Dear Mr. Busby and Mr. Van Drunen,

I have the utmost respect for you and for the responsibility you carry for the body of Christ. Throughout this review I have appreciated your honesty, your discipline and your desire for us to do what is right.

I know that there are areas where we have failed. We should have known better, and we should have done better. And I daily ask for God for His mercy upon us. I know with no question that the Lord has allowed us to walk through these last months so that we could learn, and we could do better. And we have, and I am grateful.

Below are a few items that you referenced that we wished to bring more clarity to with additional information.

1. Use of field-generated funds to satisfy designated foreign contributions. We would like you to note that we informed our board members of our previous use of local funds to fulfill designations and the stopping of that practice in our board meeting of July 13, 2015, which is included in our minutes of that meeting.

2. Excessive cash balances held in partner field accounts. In the spring of 2015, we had asked our field partners how much they had in the FC account. They had responded to us based on the main account they had at the headquarters bank, but they had not included all the banks they had on the field. It also had not included some money that was still in their overseas field account. We should have been clearer in our communication to them to make sure it included the complete balance on the field. It was never our intent to mislead you.

We had always expressed to our field partners the importance of fulfilling the designations. They kept their reports tallying the designations and the fulfillment of the designations through both the foreign and local funds for which we could request those reports. Our field partners were seeking to be prepared for the time that the local government might decide to block funds being transferred into the country. However, I was honestly unaware as to how much money had been held by the field partners. I had been focused that we make sure we fulfill the donor designations. I should have enquired or had a

means in place to know how quickly the foreign funds we were sending were being spent even though the designations were being fulfilled. (With our recent change from no longer using local funds to fulfill designations to the new grant process with the requirement to report back by deadline on how the funds were used, we should not be in that situation again.)

We spoke with our field partners, and they graciously agreed to have a maximum balance. They established that amount to be \$72M, which represented a little less than 9 months of operating capital and provided their plan to spend down the balance. They wanted to allow for taking care for the 14,000 missionaries and 78,000 children for a period of time should we no longer be able to send money to India.

At the last meeting at ECFA, concern was expressed that \$72M operating capital seemed excessive. We went back to our field partners, and they reduced the spend down plan to \$11M, roughly 30 days of operating capital. Currently, they have spent \$28.5M since July.

3. Delay in sending funds to the field. 2014 and 2013 were two years where the field partners expressed hesitancy in receiving funds from Gospel for Asia because of sensitivities they were facing in India. They were dealing with complexities of a changing political environment and increased pressures of being publically recognized by anti-Christians as one of the main sources that were “breaking India” by preaching the Gospel. A key to this recognition was the sheer amount of money being transferred into the country for missionary outreach. They had been advised to be cautious about any funds being sent from “Gospel for Asia.” At the end of the 2014 year, our field partners requested for us to send the funds to legal accounts they had in other countries so that they could bring the funds into the country at a better time and frequency, thereby avoiding the intense scrutiny and potential for increased opposition.

However, for the first four months of 2012 and for 2011, 2010 and previous years we transferred funds one to three months following the receipt of the gift. At the beginning of 2015, we reinstated LLC accounts of Gospel for Asia that we did not have open in 2014, enabling us to send funds from other accounts than “Gospel for Asia.” So far this year, with a new plan in place, we have been able to transfer \$38M to the field (as of September 10th), more than 2/3 of which represents donations received in 2015. And with this plan, we are on target to send the funds each month.

6. GFA solicits funds for narrower purposes than the eventual expenditure of the funds. For the sake of administration in tracking designations, our field partners had grouped the designations together on the field side of the report by the categories of the designations based on the way they had budgeted and dispersed the funds on the field. They sought to fulfill all the designations specifically but there was some room to fulfill it within a relative category (which they have since stopped and now fulfill the designations specifically). The community development category had 38 designations within it. They all related to sharing the love of Christ with the poor and downtrodden through helping to better their life. Although there was a range of different gifts, they all pointed toward accomplishing the same purpose, which is why our field partners had grouped it that way.

8. Use of funds restricted for the field for other purposes. While we were in process of securing a bank loan to help fund construction of the GFA campus, we received a large gift from one of our field partners who wanted to help with the project. The monies

that they gifted to us were “where most needed” funds for the field, and not designated for particular ministry. The funds were replaced by our field partners from a low interest bank loan, again, completely at their discretion and with appropriate approval from their board. They told us that local funds paid off the bank loan. As we have mentioned in previous correspondence, we have communicated to our field partners that using local funds to fulfill the intent of foreign funds is not an acceptable method, and they have since stopped that practice.

9. GFA’s financial statements presentation of restricted funds. We only learned recently through this review and from our new auditors that our practice of reporting accrued field support was a departure from GAAP (which we have had since 2006). Unfortunately, we did not discover this earlier from our former auditors or previous reviews. Now that we know of the error, we are correcting it immediately with our current auditors.

10. GFA’s control with respect to field partners. GFA is a completely separate legal and financial entity from its field partners. Even though the field partners are separate, they have always received the designations from support countries and sought to fulfill them. Since the review, we have understood the need to implement a grant program with our field partners, and have already started this new system to keep discretion and control over the monies sent to our field partners.

Throughout the movement as a whole (e.g., the international supporting offices, and the field partners), all entities within the movement have the same goal and heartbeat of fulfilling the Great Commission of our Lord Jesus. All of these entities also share a mutual concern for one another, prayerfully and practically helping whenever possible to help each other to fulfill that Commission and glorify our Lord.

In a spiritual relationship sense, the entities are part of one community. In a practical sense, all entities are responsible for the workings in their own operating environments. When the field partners realized that some of their practices were causing difficulty for GFA, they amended those practices immediately, not due to the controlling nature of one over another, but due to a mutual desire to prefer the other and help in every way possible.

Although I am the Metropolitan of Believers Church (first among equals, appointed by the executive and Bishops Councils), I am heavily regulated by the other Bishops per the Constitution of the church. I do not have unilateral power to make decisions for the church and their ministries. I hope this explanation helps provide understanding of the way that the various parts of the movement function as a whole.

11. Failure to report funds hand-carried by trip participants. Before ever sending cash to the field, we sought to find any legal limits or qualifications. We, however, did not consider that there might be a qualification to aggregate amounts for multiple people going on the same trip. As soon as we understood that there was a reporting requirement for aggregate amounts of cash going out of the country, we proactively sought to find a proper way to report to the government past amounts of cash that went out the country, and we have now since fully reported this information to the government.

12. Failure of the board to exercise adequate governance oversight. We have learned over the course of this review a clearer understanding of the kind practices to keep the board informed of and involved in and have committed to continue to do so in the future.

We also realize that our board minutes could have been more comprehensive to note the discussions that took place in the board meetings and are seeking to improve the detail of the minutes in the future.

16. Claims of inappropriate use of funds under an Indian tax assessment. Field partners have informed us that documentation of such absolutions from court are not usually made. However, our field partners are seeking to receive documentation from proper authorities. And we will forward it to you as soon as we receive it from them.

As I said earlier, we are very appreciative for ECFA and for this review process. We are grateful for the time you've taken to seek to understand how we have done things and to ask additional questions. Thank you for the extended time to finish the audit. The review has not been an easy experience and at times, honestly, painful. Yet we are sure that God will produce much fruit as a result of it, and we will be a much better ministry in every way.

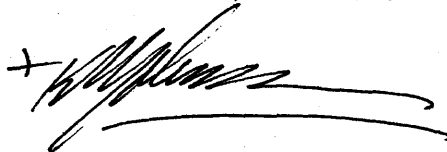
It has been our desire throughout this process to respond to whatever you've requested of us as soon as possible and to take the time and the effort to physically come and speak with you to clarify any of the information we provided or any additional questions that you had. With every concern that has been brought up, we've sought to make any necessary changes. Below are among some of the changes that we have already made:

- Although none of the money entrusted to us is missing, and all of it has been fulfilled as given through either foreign funds, or local funds, our field partners have stopped utilizing local funds to fulfill designations.
- We created from scratch an approved grant program with our field partners, which has already been implemented and is allowing us to keep discretion and control over the monies until used. This grant system also allows us to grant money to the field for the specific reason for which it was raised.
- Our field partners established a "base amount" to have on the field of roughly one month's operating budget.
- Our field partners established an accountable "spend down plan" to spend down the excess balances accumulated through the use of local funds. As noted previously, they have already significantly spent down the balances and fulfilled designations.
- GFA has begun to review and change all fund raising materials in light of ECFA's Standards 4, 7.1, and 7.2.
- GFA has increased the size of our board from seven to ten members, and has also undertaken to better inform and prepare them for their governance role.
- GFA has contracted with an auditing firm, who has more non-profit expertise, and will thereby be able to better guide GFA in the future. We are grateful for their impact and influence.

We truly appreciate the board's time as they work through this decision. We know that we cannot change the past, but we are sincerely expectant to see how the Lord will use these changes in our ministry for His glory and for the lost and who are waiting to hear about Him.

I know that today and tomorrow are better in our ministry because of your help, and I am so thankful for how the Lord continues to lead us forward. All of our lives are in the Lord's hands ultimately, and we trust that He will use our lives together for His glory.

Your brother, His servant,

A handwritten signature in black ink, appearing to read 'K.P. Yohannan', with a long horizontal flourish extending to the right.

K.P. Yohannan
President

KPY/tmc