



THE AMERICAN COUNCIL OF THE RAMABAI MUKTI MISSION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017





REPORT OF INDEPENDENT AUDITOR

The Board of Directors
The American Council of the Ramabai Mukti Mission
High Bridge, New Jersey

We have audited the accompanying financial statements of The American Council of the Ramabai Mukti Mission (“the Mission”), which comprise the statement of financial position as of December 31, 2017 and the related statements of activities, functional expenses, 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 Mission'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 Mission'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 American Council of the Ramabai Mukti Mission as of December 31, 2017, 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.

Batts Morrison Wales & Lee, P.A.

BATTS MORRISON WALES & LEE, P.A.

Orlando, Florida
October 12, 2018

THE AMERICAN COUNCIL OF THE RAMABAI MUKTI MISSION

STATEMENT OF FINANCIAL POSITION

December 31, 2017

ASSETS

ASSETS

Cash and cash equivalents	\$ 117,360
Certificates of deposit	213,804
Investments	<u>1,405,313</u>

Total assets \$ 1,736,477

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued expenses	\$ 10,406
Liability for charitable gift annuities	<u>36,944</u>

Total liabilities 47,350

NET ASSETS

Unrestricted	851,712
Temporarily restricted	<u>837,415</u>

Total net assets 1,689,127

Total liabilities and net assets \$ 1,736,477

THE AMERICAN COUNCIL OF THE RAMABAI MUKTI MISSION

STATEMENT OF ACTIVITIES

For The Year Ended December 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS			
Contributions	\$ 348,739	\$ 848,552	\$ 1,197,291
Investment income	140,311	—	140,311
Change in value of annuities	(36,944)	—	(36,944)
Net assets released from restrictions	<u>132,624</u>	<u>(132,624)</u>	<u>—</u>
Total public support and revenue and net assets released from restrictions	<u>584,730</u>	<u>715,928</u>	<u>1,300,658</u>
EXPENSES			
Program activities	<u>378,634</u>	<u>—</u>	<u>378,634</u>
Supporting activities			
Management and general	95,107	—	95,107
Fundraising	<u>25,776</u>	<u>—</u>	<u>25,776</u>
Total supporting activities	<u>120,883</u>	<u>—</u>	<u>120,883</u>
Total expenses	<u>499,517</u>	<u>—</u>	<u>499,517</u>
Change in unrestricted net assets	85,213	—	85,213
Change in temporarily restricted net assets	<u>—</u>	<u>715,928</u>	<u>715,928</u>
CHANGE IN NET ASSETS	85,213	715,928	801,141
NET ASSETS - Beginning of year	<u>766,499</u>	<u>121,487</u>	<u>887,986</u>
NET ASSETS - End of year	<u>\$ 851,712</u>	<u>\$ 837,415</u>	<u>\$ 1,689,127</u>

The Accompanying Notes are an Integral
Part of These Financial Statements

THE AMERICAN COUNCIL OF THE RAMABAI MUKTI MISSION**STATEMENT OF FUNCTIONAL EXPENSES**

For The Year Ended December 31, 2017

	<u>Program Activities</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Special projects	\$ 129,439	\$ —	\$ —	\$ 129,439
Salaries, taxes, and benefits	61,033	48,373	19,731	129,137
Children's and women's ministries	81,073	—	—	81,073
Expansion ministries	54,789	—	—	54,789
Advertising and promotion	21,727	—	5,045	26,772
Travel	10,149	4,854	—	15,003
Staff support	13,455	—	—	13,455
Professional fees	—	12,950	—	12,950
Office expense	—	12,756	—	12,756
Occupancy	6,240	5,960	—	12,200
Other expenses	<u>729</u>	<u>10,214</u>	<u>1,000</u>	<u>11,943</u>
Total expenses	<u>\$ 378,634</u>	<u>\$ 95,107</u>	<u>\$ 25,776</u>	<u>\$ 499,517</u>

The Accompanying Notes are an Integral
Part of These Financial Statements

THE AMERICAN COUNCIL OF THE RAMABAI MUKTI MISSION

STATEMENT OF CASH FLOWS
For The Year Ended December 31, 2017

OPERATING CASH FLOWS

Cash received from donors	\$ 1,197,291
Other revenue received	26,025
Cash paid for operating activities and costs	<u>(493,482)</u>

Net operating cash flows **729,834**

INVESTING CASH FLOWS

Reinvestment of interest and dividends	(26,025)
Net purchases of certificates of deposit	(135,236)
Net purchases of investments	<u>(656,262)</u>

Net investing cash flows **(817,523)**

NET CHANGE IN CASH AND CASH EQUIVALENTS **(87,689)**

CASH AND CASH EQUIVALENTS - Beginning of year **205,049**

CASH AND CASH EQUIVALENTS - End of year **\$ 117,360**

**RECONCILIATION OF CHANGE IN NET ASSETS TO NET
OPERATING CASH FLOWS**

Change in net assets	\$ 801,141
Adjustments to reconcile change in net assets to net operating cash flows	
Gain on investments	(114,286)
Change in liability for charitable gift annuities	36,944
Change in other assets	2,094
Change in accounts payable and accrued expenses	<u>3,941</u>

Net operating cash flows **\$ 729,834**

THE AMERICAN COUNCIL OF THE RAMABAI MUKTI MISSION
NOTES TO FINANCIAL STATEMENTS

NOTE A – NATURE OF ACTIVITIES

The American Council of the Ramabai Mukti Mission (“the Mission”) is a not-for-profit New Jersey corporation based in High Bridge, New Jersey. The Mission exists to intercede and invest in the lives of women and children in India and to be involved on behalf of them to bring hope, healing, and life to them daily.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Restricted and unrestricted revenue and support

The Mission recognizes cash contributions as revenue when the contributions are received by the Mission. Contributions received are recorded as unrestricted or temporarily restricted support, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statement of activities as “net assets released from restrictions.”

Assessments

The Board of Directors has established a policy to utilize up to 15% of contributions restricted for the support of certain projects to help offset general operational expenses, including the cost of operating the United States office. The amounts so utilized are reflected as unrestricted contribution revenue in the accompanying statement of activities.

Cash and cash equivalents

The Mission considers all investment instruments purchased or donated with original maturities of three months or less to be cash equivalents.

Certificates of deposit

The Mission’s certificates of deposit mature through December 2018 and include interest rates up to 1.57% per annum.

Investments

Investments consist primarily of pooled funds and mutual funds and are stated at estimated fair value.

Charitable gift annuities

For irrevocable split-interest agreements such as charitable gift annuities in which the Mission is the trustee or owner, the assets of such arrangements are reflected in the Mission’s statement of financial position as “investments.” The carrying value of such investments conform to accounting principles generally accepted in the United States of America (“GAAP”) which generally require that investment securities be carried at estimated fair value at all times. Also for such agreements, a liability is recognized related to the present value of benefits payable to other beneficiaries. Unrestricted contribution revenue is recognized for the estimated present value of the Mission’s benefits under the arrangements in the year the arrangements are established or in the year in which the Mission is provided sufficient information about the existence and nature of the arrangements. Periodic adjustments are made for changes in estimated present values, using applicable mortality tables and discount rates. State law imposes certain restrictions on the manner in which charitable gift annuity assets may be invested.

Income taxes

The Mission is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code and from state income tax pursuant to state law. The Mission is further classified as a public charity and not a private foundation for federal tax purposes. The Mission has not incurred unrelated business income taxes. As a result, no income tax provision or liability has been provided for in the accompanying financial statements.

THE AMERICAN COUNCIL OF THE RAMABAI MUKTI MISSION
NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include the estimated fair value of investments and the liability for charitable gift annuities. Actual results could differ from the estimates.

Subsequent events

The Mission has evaluated for possible financial reporting and disclosure subsequent events through October 12, 2018, the date as of which the financial statements were available to be issued.

NOTE C – CONCENTRATIONS

The Mission maintains its cash and cash equivalents in deposit accounts which may not be federally insured, may exceed federally insured limits, or may be insured by an entity other than an agency of the federal government. The Mission has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk related to cash and cash equivalents.

During 2017, the Mission received approximately 63% of its contribution revenue from one donor.

NOTE D – FAIR VALUE MEASUREMENTS

GAAP defines fair value for an investment generally as the price an organization would receive upon selling the investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. The information available to measure fair value varies depending on the nature of each investment and its market or markets. Accordingly, GAAP recognizes a hierarchy of “inputs” an organization may use in determining or estimating fair value. The inputs are categorized into “levels” that relate to the extent to which an input is objectively observable and the extent to which markets exist for identical or comparable investments. In determining or estimating fair value, an organization is required to maximize the use of observable market data (to the extent available) and minimize the use of unobservable inputs. The hierarchy assigns the highest priority to unadjusted quoted prices in active markets for identical items (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Following is a description of each of the three levels of input within the fair value hierarchy:

Level 1 – unadjusted quoted market prices in active markets for identical items

Level 2 – other significant observable inputs (such as quoted prices for similar items)

Level 3 – significant unobservable inputs

A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

THE AMERICAN COUNCIL OF THE RAMABAI MUKTI MISSION
NOTES TO FINANCIAL STATEMENTS

NOTE D – FAIR VALUE MEASUREMENTS (Continued)

The estimated fair value of certain assets and (liabilities) measured on a recurring basis at December 31, 2017, is as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 1,301,565	\$ 1,301,565	\$ —	\$ —
Pooled investments	<u>103,748</u>	<u>—</u>	<u>103,748</u>	<u>—</u>
Total	<u>\$ 1,405,313</u>	<u>\$ 1,301,565</u>	<u>\$ 103,748</u>	<u>\$ —</u>
Present value of liability for charitable gift annuities payable	<u>\$ (36,944)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (36,944)</u>

Pooled investments are held by a certain investment fund organization. The funds are invested primarily in fixed income securities and mutual funds. The estimated fair value of the pooled investments is based on amounts provided by the investment fund organization.

NOTE E – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net asset activity during 2017 was as follows:

	<u>Balance January 1</u>	<u>Contributions</u>	<u>Releases</u>	<u>Balance December 31</u>
Orchard Project	\$ —	\$ 781,505	\$ (39,742)	\$ 741,763
English medium school	65,935	61,483	(92,025)	35,393
Francis B. Verity project	28,772	—	—	28,772
Computer literacy	19,357	—	—	19,357
Other	<u>7,423</u>	<u>5,564</u>	<u>(857)</u>	<u>12,130</u>
Total	<u>\$ 121,487</u>	<u>\$ 848,552</u>	<u>\$ (132,624)</u>	<u>\$ 837,415</u>