



MUELLER & CO., LLP

*Certified Public Accountants – Business & Financial Advisors*

ASSURANCE

**JUNA AMAGARA MINISTRIES  
FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

MUELLER

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**JUNA AMAGARA MINISTRIES  
FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

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To the Board of Directors  
Juna Amagara Ministries  
Glen Ellyn, Illinois

### **INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying financial statements of Juna Amagara Ministries (a nonprofit organization), which comprise the statement of assets and net assets - modified cash basis as of December 31, 2017, and the related statement of support, revenues, expenses and changes in net assets - modified cash basis 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 the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 assets and net assets of Juna Amagara Ministries as of December 31, 2017, and its support, revenues and expenses for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

## **Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

*Muller & Co., LLP*

Orland Park, Illinois  
August 27, 2018

**JUNA AMAGARA MINISTRIES**  
**STATEMENT OF ASSETS AND NET ASSETS - MODIFIED CASH BASIS**  
**DECEMBER 31, 2017**

**ASSETS**

Cash - checking	\$ 110,225
Cash - money market	137,585
Cash - insured deposit account	2,875
Inventory	<u>1,000</u>
 Total assets	 <u><u>\$ 251,685</u></u>

**NET ASSETS**

Unrestricted	\$ 131,826
Temporarily restricted	<u>119,859</u>
 Total net assets	 <u><u>\$ 251,685</u></u>

See notes to financial statements.

**JUNA AMAGARA MINISTRIES**  
**STATEMENT OF SUPPORT, REVENUES, EXPENSES AND**  
**CHANGES IN NET ASSETS - MODIFIED CASH BASIS**  
**YEAR ENDED DECEMBER 31, 2017**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenue:			
Contributions and other support:			
Unrestricted	\$ 427,628	\$ -	\$ 427,628
Construction	-	82,111	82,111
College scholarships	-	49,635	49,635
Mission trips	-	30,285	30,285
Heal clinic	-	27,188	27,188
ABIDE	-	17,429	17,429
HOLD program	-	7,740	7,740
Medical scholarships	-	6,880	6,880
Interest income	14	-	14
Net assets released from restrictions	<u>168,125</u>	<u>(168,125)</u>	<u>-</u>
Total support and revenue	<u>595,767</u>	<u>53,143</u>	<u>648,910</u>
Expenses:			
Program services:			
Orphan care	296,686	-	296,686
Heal clinic	43,610	-	43,610
Mission trips	41,972	-	41,972
College scholarships	38,588	-	38,588
ABIDE	19,723	-	19,723
Missionary support	14,700	-	14,700
Travel	13,575	-	13,575
Construction	8,419	-	8,419
HOLD program	7,740	-	7,740
Medical scholarships	6,046	-	6,046
Craft sales	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total program services	<u>492,059</u>	<u>-</u>	<u>492,059</u>
Supporting services:			
Management and general	92,652	-	92,652
Fundraising	<u>1,466</u>	<u>-</u>	<u>1,466</u>
Total supporting services	<u>94,118</u>	<u>-</u>	<u>94,118</u>
Total expenses	<u>586,177</u>	<u>-</u>	<u>586,177</u>
Change in net assets	9,590	53,143	62,733
Net assets at beginning of year	<u>122,236</u>	<u>66,716</u>	<u>188,952</u>
Net assets at end of year	<u>\$ 131,826</u>	<u>\$ 119,859</u>	<u>\$ 251,685</u>

See notes to financial statements.

**JUNA AMAGARA MINISTRIES  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Organization and Nature of Activities**

Juna Amagara Ministries was organized to provide residential homes and educational assistance to orphaned children in Uganda; to conduct evangelism and discipleship activities in Uganda; and to conduct social welfare development activities in Uganda. The Organization began its activities in 2004 as a separate fund of the First Presbyterian Church of Glen Ellyn, Illinois. The Organization was incorporated on September 28, 2004. A separate charitable organization has been formed in Uganda that directly supervises the activities in Uganda.

**B. Basis of Accounting**

The accompanying financial statements have been prepared on the modified cash basis of accounting. Under that basis, certain support and revenue and the related assets are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred. That basis differs from accounting principles generally accepted in the United States of America primarily because the Organization does not recognize receivables for support and revenue and accounts payable to vendors and the related effects on changes in net assets in the accompanying financial statements.

**C. Basis of Presentation**

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization currently has no permanently restricted net assets.

**D. Estimates**

The preparation of financial statements in accordance with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**E. Donated Services**

The Organization receives donated services from a variety of unpaid volunteers. No amounts have been recognized in the accompanying statement of support, revenues, expenses and changes in net assets modified - cash basis because the criteria for recognition under the modified cash basis of accounting have not been satisfied.

**F. Inventory**

The Organization's inventory consists of various crafts valued at cost.

**JUNA AMAGARA MINISTRIES  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**G. Income Taxes**

The Organization operates as a nonprofit organization and has received exempt status under Section 501(c)(3) of the Internal Revenue Code. The Organization is not considered a private foundation under the Internal Revenue Code.

The Organization's federal Exempt Organization Business Income Tax Return (Form 990) is subject to examination by the Internal Revenue Service, generally for three years after the date it was filed.

**H. Support and Revenue**

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of support, revenues, expenses and changes in net assets modified - cash basis as net assets released from restrictions.

**I. Functional Expenses - Allocation of Costs**

Expenses are charged to each program based on direct payments made for those programs. Travel and other program expenses that relate to multiple programs are reported separately.

**NOTE 2. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets at December 31, 2017 of \$119,859 are available to be used in subsequent periods for the following purposes:

Construction	\$	96,518
College scholarships		19,216
Medical scholarships		3,657
NEEM initiative		<u>468</u>
Total	\$	<u>119,859</u>

**NOTE 3. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through August 27, 2018, which is the date the financial statements were available to be issued.

**JUNA AMAGARA MINISTRIES  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**NOTE 4. UPCOMING ACCOUNTING STANDARD**

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities, (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities* in August, 2016. ASU No. 2016-14 requires significant changes to the financial reporting model of organizations that follow FASB not-for-profit rules, including changing from three classes of net assets to two classes, net assets with donor-restrictions and net assets without donor restrictions. The ASU will also require changes in the way certain information is aggregated and reported by the Organization, including required disclosures about the liquidity and availability of resources. This guidance is effective for annual reporting periods beginning after December 15, 2017 and must be applied on a retrospective basis. The Organization is currently evaluating the impact the pending adoption of ASU No. 2016-14 is expected to have on its financial statements.