



MUELLER & CO., LLP

Certified Public Accountants – Business & Financial Advisors

ASSURANCE

**JUNA AMAGARA MINISTRIES AUDITED
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

MUELLER

Elgin/Orland Park/Chicago
www.muellercpa.com
847.888.8600 Phone
847.888.0635 Fax

**JUNA AMAGARA MINISTRIES
AUDITED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

CONTENTS

	<u>Page</u>
Independent Auditor's Report	1 - 2
Statement of Assets and Net Assets - Modified Cash Basis	3
Statement of Support, Revenues, Expenses and Change in Net Assets - Modified Cash Basis	4
Statement of Functional Expenses - Modified Cash Basis	5
Notes to Financial Statements	6 - 8



14300 Ravinia Avenue, Suite 200 ■ Orland Park, Illinois ■ 60462

Ph: 708.349.6999 ■ Fax: 708.349.6639 ■ www.muellercpa.com

INDEPENDENT AUDITOR'S REPORT

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

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, 2018, and the related statements of support, revenues, expenses and change in net assets - modified cash basis and statement of functional expenses - 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, 2018, 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, for the year ended December 31, 2018, Juna Amagara Ministries adopted Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

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
October 11, 2019

JUNA AMAGARA MINISTRIES
STATEMENT OF ASSETS AND NET ASSETS - MODIFIED CASH BASIS
DECEMBER 31, 2018

ASSETS

Cash - checking	\$ 115,482
Cash - money market	95,677
Cash - insured deposit account	2,807
Inventory	<u>1,000</u>
 Total assets	 <u><u>\$ 214,966</u></u>

NET ASSETS

Without donor restrictions	\$ 123,130
With donor restrictions	<u>91,836</u>
 Total net assets	 <u><u>\$ 214,966</u></u>

The accompanying notes are an integral part of the financial statements.

JUNA AMAGARA MINISTRIES
STATEMENT OF SUPPORT, REVENUES, EXPENSES AND
CHANGE IN NET ASSETS - MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue:			
Contributions and other support:			
Unrestricted	\$ 484,869	\$ -	\$ 484,869
Construction	-	46,758	46,758
College scholarships	-	44,254	44,254
Mission trips	-	32,451	32,451
Heal clinic	-	44,208	44,208
ABIDE	-	22,126	22,126
Medical scholarships	-	2,540	2,540
Interest income	23	-	23
Net assets released from restrictions	<u>220,360</u>	<u>(220,360)</u>	<u>-</u>
Total support and revenue	<u>705,252</u>	<u>(28,023)</u>	<u>677,229</u>
Expenses:			
Program services:			
Orphan care and affairs advocacy	615,645	-	615,645
Supporting services:			
Management and general	94,217	-	94,217
Fundraising	<u>4,086</u>	<u>-</u>	<u>4,086</u>
Total expenses	<u>713,948</u>	<u>-</u>	<u>713,948</u>
Change in net assets	(8,696)	(28,023)	(36,719)
Net assets at beginning of year	<u>131,826</u>	<u>119,859</u>	<u>251,685</u>
Net assets at end of year	<u>\$ 123,130</u>	<u>\$ 91,836</u>	<u>\$ 214,966</u>

The accompanying notes are an integral part of the financial statements.

JUNA AMAGARA MINISTRIES
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2018

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
		<u>Management and General</u>	<u>Fundraising</u>	
Banquet	\$ -	\$ -	\$ 4,086	\$ 4,086
Clinic supplies	18,641	-	-	18,641
Construction	90,730	-	-	90,730
Contract services	-	21,900	-	21,900
Mission trips	52,465	-	-	52,465
Orphan care	392,360	-	-	392,360
Other	8,895	30,437	-	39,332
Professional fees	-	41,880	-	41,880
Scholarships	<u>52,554</u>	<u>-</u>	<u>-</u>	<u>52,554</u>
Total functional expenses	<u>\$ 615,645</u>	<u>\$ 94,217</u>	<u>\$ 4,086</u>	<u>\$ 713,948</u>

The accompanying notes are an integral part of the financial statements.

**JUNA AMAGARA MINISTRIES
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Nature of Activities

Juna Amagara Ministries ("Organization") 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. 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.

D. 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.

E. Inventory

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

F. Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor-imposed restrictions.

**JUNA AMAGARA MINISTRIES
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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. Subsequent Events

Management has evaluated subsequent events through October 11, 2019, which is the date the financial statements were available to be issued.

I. Management's Evaluation of Going Concern

Management performed an evaluation to determine if adverse conditions or events, considered in the aggregate, raise substantial doubt about the Organization's ability to continue as a going concern for the one-year period from the date the financial statements were available to be issued. Management's evaluation did not identify any conditions or events that raise substantial doubt about the Organization's ability to continue as a going concern for the period from October 11, 2019 to October 11, 2020.

J. Functional Expenses

All expenses are charged directly to program services, management and general, or fundraising based on specific identification in the statement of support, revenues, expenses and change in net assets - modified cash basis. Since no expenses are attributable to more than one program or supporting function, no allocations have been made.

K. Change in Accounting Principle - Financial Statement Presentation

On August 18, 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly.

**JUNA AMAGARA MINISTRIES
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2018**

NOTE 2. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2018 are available to be used in subsequent periods for the following purposes:

Construction	\$ 52,546
Heal clinic	20,605
College scholarships	16,573
ABIDE	<u>2,112</u>
Total	<u>\$ 91,836</u>

NOTE 3. AVAILABILITY AND LIQUIDITY

Financial assets available at December 31, 2018 to meet the Organization's cash needs for general expenditure within one year were comprised of the following:

Financial assets:	
Cash - checking	\$ 115,482
Cash - money market	95,677
Cash - insured deposit account	<u>2,807</u>
Total financial assets	213,966
Less amount not available for general expenditure within one year due to:	
Purpose restrictions	<u>(91,836)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 122,130</u>

The Organization's goal is to maintain available financial assets sufficient to meet its general expenditures, liabilities, and other obligations as they become due.