

Assurance

JUNA AMAGARA MINISTRIES

AUDITED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

LOCAL  
KNOWLEDGE,  
GLOBAL  
EXPERTISE

**JUNA AMAGARA MINISTRIES  
AUDITED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020**

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## 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, 2020, and the related statements of support, revenues, expenses and change in net assets - modified cash basis and 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, 2020, 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.

*PKF Mueller*

Orland Park, Illinois  
July 12, 2021

**JUNA AMAGARA MINISTRIES**  
**STATEMENT OF ASSETS AND NET ASSETS - MODIFIED CASH BASIS**  
**DECEMBER 31, 2020**

**ASSETS**

Cash - checking	\$ 71,565
Cash - money market	319,790
Cash - insured deposit account	1,001
Inventory	<u>1,000</u>
 Total assets	 <u><u>\$ 393,356</u></u>

**NET ASSETS**

Without donor restrictions:	
Undesignated	\$ 217,566
Board-designated for operating reserve	<u>48,000</u>
 Total without donor restrictions	 265,566
 With donor restrictions	 <u>127,790</u>
 Total net assets	 <u><u>\$ 393,356</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, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue:			
Contributions:			
General support	\$ 584,346	\$ -	\$ 584,346
Construction projects	-	6,953	6,953
College scholarships	-	41,817	41,817
Mission trips	-	9,582	9,582
Heal clinic	-	46,724	46,724
Amagara Bible Institute for Discipleship and Evangelism (ABIDE)	-	18,706	18,706
Medical scholarships	-	1,212	1,212
Discipleship and evangelism	-	5,000	5,000
Interest income	34	-	34
Net assets released from restrictions	<u>89,640</u>	<u>(89,640)</u>	<u>-</u>
Total support and revenue	<u>674,020</u>	<u>40,354</u>	<u>714,374</u>
Expenses:			
Program services:			
Orphan care and affairs advocacy	495,940	-	495,940
Supporting services:			
Management and general	<u>59,515</u>	<u>-</u>	<u>59,515</u>
Total expenses	<u>555,455</u>	<u>-</u>	<u>555,455</u>
Change in net assets	118,565	40,354	158,919
Net assets at beginning of year	<u>147,001</u>	<u>87,436</u>	<u>234,437</u>
Net assets at end of year	<u>\$ 265,566</u>	<u>\$ 127,790</u>	<u>\$ 393,356</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, 2020**

	<u>Program Services</u>	<u>Supporting Services Management and General</u>	<u>Total</u>
ABIDE program	\$ 19,352	\$ -	\$ 19,352
Clinic supplies	18,665	-	18,665
Construction	16,916	-	16,916
Contract services	-	13,410	13,410
Mission trips	4,000	-	4,000
Orphan care	402,179	-	402,179
Other	3,478	32,155	35,633
Professional fees	-	13,950	13,950
Scholarships	<u>31,350</u>	<u>-</u>	<u>31,350</u>
Total expenses	<u>\$ 495,940</u>	<u>\$ 59,515</u>	<u>\$ 555,455</u>

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

**JUNA AMAGARA MINISTRIES  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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.

**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.

**Cash and Cash Equivalents**

The Organization considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

The Organization maintains bank account balances that, at times, may exceed federally insured limits. The Organization has not experienced any losses on such accounts.

**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.

**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.

**Inventory**

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

**JUNA AMAGARA MINISTRIES  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020**

**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. The Board of Directors of the Organization has designated, from net assets without donor restrictions, net assets for an operating reserve.

*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.

**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.

**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.

**Subsequent Events**

Management has evaluated subsequent events through July 12, 2021 which is the date the financial statements were available to be issued.

**Going Concern Evaluation**

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 July 12, 2021 to July 12, 2022.

**JUNA AMAGARA MINISTRIES  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020**

**NOTE 2. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions at December 31, 2020 are available to be used in subsequent periods for the following purposes:

Construction of school	\$ 37,383
Heal clinic	39,068
Mission trips	6,009
College scholarships	37,591
Discipleship and evangelism	4,296
Amagara Bible Institute for Discipleship and Evangelism	<u>3,443</u>
 Total	 <u><u>\$ 127,790</u></u>

**NOTE 3. AVAILABILITY AND LIQUIDITY**

Financial assets available at December 31, 2020 to meet the Organization's cash needs for general expenditure within one year were comprised of the following:

Financial assets:	
Cash - checking	\$ 71,565
Cash - money market	319,790
Cash - insured deposit account	<u>1,001</u>
 Total financial assets	 392,356
Less:	
Amount not available for general expenditure within one year due to purpose restrictions	(127,790)
Board-designated for operating reserve	<u>(48,000)</u>
 Financial assets available to meet cash needs for general expenditure within one year	 <u><u>\$ 216,566</u></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. Amounts not available for general expenditure include board-designated net assets set aside for an operating reserve that could be drawn upon if decided by the Board of Directors.

**JUNA AMAGARA MINISTRIES  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020**

**NOTE 4. IMPACT OF COVID-19**

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States of America. As a result, the Organization closed its school in Uganda and cancelled all special events. While this caused a decrease in revenue, it also led to a decrease in expenses so it did not have a negative impact on the changes in net assets. While the disruption is currently expected to be temporary, there is uncertainty around the duration. Therefore, while it is not expected that this matter will negatively impact the Organization's financial position and changes in net assets, the related financial impact cannot be reasonably estimated at this time.