

**Juna Amagara Ministries**  
**Audited Financial Statements**  
**For the Year Ended December 31, 2021**  
**(With Independent Auditor's Report Thereon)**

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## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Ligke Kross : On, PC*

Elgin, Illinois  
August 11, 2022

**Juna Amagara Ministries**  
**Statement of Assets and Net Assets - Modified Cash Basis**  
**December 31, 2021**

**Assets**

Assets:		
Cash and cash equivalents	\$	397,959
Inventory		<u>1,000</u>
Total Assets	\$	<u><u>398,959</u></u>

**Net Assets**

Net Assets:		
Without donor restrictions:		
Undesignated	\$	161,633
Board-designated		<u>72,000</u>
Total without donor restrictions		<u>233,633</u>
With donor restrictions		<u>165,326</u>
Total Net Assets	\$	<u><u>398,959</u></u>

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

**Juna Amagara Ministries**  
**Statement of Support, Revenue, Expenses, and Changes in Net Assets - Modified Cash Basis**  
**For the Year Ended December 31, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenue:			
Contributions:			
General support	\$ 619,916	\$ -	\$ 619,916
Construction projects	-	12,495	12,495
College scholarships	-	46,755	46,755
School operations	-	26,280	26,280
Healthcare	-	18,313	18,313
Discipleship and evangelism	-	15,838	15,838
Interest income	102	-	102
Net assets released from restrictions	82,145	(82,145)	-
	<u>702,163</u>	<u>37,536</u>	<u>739,699</u>
Total Support and Revenue			
Functional Expenses:			
Program services	657,557	-	657,557
Management and general	76,539	-	76,539
	<u>734,096</u>	<u>-</u>	<u>734,096</u>
Total Functional Expenses			
Change in Net Assets	<u>(31,933)</u>	<u>37,536</u>	<u>5,603</u>
Net Assets, Beginning of Year	265,566	127,790	393,356
Net Assets, End of Year	<u>\$ 233,633</u>	<u>\$ 165,326</u>	<u>\$ 398,959</u>

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

**Juna Amagara Ministries**  
**Statement of Functional Expenses - Modified Cash Basis**  
**For the Year Ended December 31, 2021**

Expenses:	Program Services	Management and General	Total Expenses
Contracted services	\$ -	\$ 10,014	\$ 10,014
Construction	10,000	-	10,000
College sponsorships	62,701	-	62,701
Travel	-	1,998	1,998
Professional services	-	31,950	31,950
Healthcare	21,556	-	21,556
Discipleship and evangelism	11,678	-	11,678
Orphan care	551,622	-	551,622
Other expense	-	32,577	32,577
<b>Total Expenses</b>	<b>\$ <u>657,557</u></b>	<b>\$ <u>76,539</u></b>	<b>\$ <u>734,096</u></b>

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

**Juna Amagara Ministries**  
**Notes to Financial Statements**  
**December 31, 2021**

**Note 1 – 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 in Uganda directly supervises the activities in Uganda.

**Basis of Accounting:**

The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States. Contributions and other revenue are recognized when received instead of when earned, and expenses are recognized when paid rather than when the obligation is incurred.

**Basis of Presentation:**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Update (“ASU”) 2016-14 *Presentation of Financial Statements of Not-for-Profit Entities*. Under FASB ASU 2016-14, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net assets without donor restrictions include undesignated and board-designated sources with no legal donor imposed restrictions.

Net assets with donor restrictions represent net assets subject to donor-imposed or legal restrictions, which will either be met by the Organization’s actions, the passage of time, or are perpetual in nature. Net assets with donor restrictions assets are reclassified to net assets without donor restrictions when the restrictions are met or have expired. These reclassifications are reported in the Statement of Support, Revenue, Expenses, and Changes in Net Assets – Modified Cash Basis as net assets released from restrictions.

**Use of Estimates:**

In preparing financial statements in conformity with modified cash basis of accounting, management makes estimates and assumptions affecting the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Juna Amagara Ministries**  
**Notes to Financial Statements**  
**December 31, 2021**

**Note 1 – Significant Accounting Policies (continued)**

Cash and Cash Equivalents:

The Organization defines cash and cash equivalents as cash on hand, amounts held at financial institutions, and short-term highly liquid investments that are readily convertible to known amounts of cash. Investments with an original maturity of three months or less are considered short-term for these purposes. The Organization maintains cash balances at a local bank where deposits are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The Organization maintains bank account balances that, at times, may exceed federally insured limits. The Organization has not experienced any losses on such accounts.

Inventory:

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

Donated Services:

The Organization receives donated services from a variety of unpaid volunteers. No amounts have been recognized in the Statement of Support, Revenue, Expenses and Changes in Net Assets – Modified Cash Basis because the criteria for recognition under FASB ASC 958-225 has not been met.

Contributions:

The Organization accounts for contributions in accordance with the recommendations in FASB ASC 958-225. In accordance with FASB ASC 958-225, contributions and grants received are recorded as support and revenue with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Since the Organization prepares its financial statements on the modified cash basis of accounting, contributions receivable are not reported in the accompanying financial statements.

All contributions are considered to be available for unrestricted use unless specifically restricted by donors.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support, if any, is reported as an increase in net assets with donor restrictions. When a donor restriction expires, such as when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Support, Revenue, and Expenses – Modified Cash Basis as net assets released from restrictions.

Functional Expenses:

The Organization classifies expenses into functional programs and supporting services (management and general). The program service function includes all expenses directly related to the Organization's objective described in the nature of activities. Expenses directly identified with the programs are charged to that program and where those expenses affect more than one program or supporting service, they are allocated on the basis of estimates by management.

**Juna Amagara Ministries**  
**Notes to Financial Statements**  
**December 31, 2021**

**Note 1 – Significant Accounting Policies (continued)**

**Income Taxes:**

The Organization is a tax-exempt organization as defined in Section 501(c)(3) of the Internal Revenue Code. Accounting principles generally accepted in the United States of America requires management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service or other applicable taxing authorities.

Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2021, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

**Liquidity Policy:**

The Organization has \$398,959 of financial assets available within one year of the Statement of Assets and Net Assets – Modified Cash Basis date to meet cash needs for general expenditures, consisting of cash and cash equivalents of \$397,959 and inventory of \$1,000. The Organization has a goal to maintain financial assets, which consist of cash and cash equivalents, on hand to meet two months of normal operating expenses, which are, on average, approximately \$122,000.

**Note 2 – Net Assets with Donor Restrictions**

Net assets with donor restrictions at December 31, 2021 are available to be used in subsequent periods for the following purposes:

Construction	\$	30,730
Mission trips		6,009
Healthcare		38,278
College scholarships		23,398
School operations		54,242
Discipleship and evangelism		<u>12,669</u>
Total	\$	<u><u>165,326</u></u>

**Note 3 – Subsequent Events**

The Organization applied to have its name changed to Living Hope for Children after December 31, 2021. The name change is effective starting February 10, 2022.

**Note 4 – Date of Management’s Review**

Subsequent events have been evaluated through the date of this report, which is the date the financial statements were available to be issued. It was concluded that, other than noted in Note 3, there are no subsequent events required to be disclosed.