



REACH

Ramesh Richard Evangelism and Church Health

Financial Statements  
With Independent Auditors' Report

December 31, 2015 and 2014

# RAMESH RICHARD EVANGELISM AND CHURCH HEALTH

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Ramesh Richard Evangelism and Church Health  
Dallas, Texas

We have audited the accompanying financial statements of Ramesh Richard Evangelism and Church Health which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities and cash flows for the years 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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.

Board of Directors  
Ramesh Richard Evangelism and Church Health  
Dallas, Texas

*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ramesh Richard Evangelism and Church Health as of December 31, 2015 and 2014, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Capin Crouse LLP*

Dallas, Texas  
July 15, 2016

**RAMESH RICHARD EVANGELISM  
AND CHURCH HEALTH**

**Statements of Financial Position**

	December 31,	
	2015	2014
<b>ASSETS:</b>		
Current assets:		
Cash and cash equivalents	\$ 5,709,283	\$ 5,438,070
Prepaid expenses and other current assets	1,884,485	495,289
	7,593,768	5,933,359
Property and equipment—net	8,430	8,014
	\$ 7,602,198	\$ 5,941,373
<b>LIABILITIES AND NET ASSETS:</b>		
Accounts payable and accrued expenses	\$ 42,125	\$ 17,712
Deferred revenue	39,483	-
	81,608	17,712
Net assets:		
Unrestricted:		
Operating	2,002,640	1,445,201
Board designated	300,000	300,000
Net investments in property and equipment	8,430	8,014
	2,311,070	1,753,215
Temporarily restricted	5,209,520	4,170,446
	7,520,590	5,923,661
	\$ 7,602,198	\$ 5,941,373

See notes to financial statements

# RAMESH RICHARD EVANGELISM AND CHURCH HEALTH

## Statements of Activities

	Year Ended December 31,					
	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT, REVENUE, AND RECLASSIFICATIONS:</b>						
Contributions and other income	\$ 926,433	\$ 2,401,717	\$ 3,328,150	\$ 703,027	\$ 2,661,128	\$ 3,364,155
Net assets released from restrictions	1,362,643	(1,362,643)	-	921,935	(921,935)	-
<b>Total Support, Revenue, and Reclassifications</b>	<b>2,289,076</b>	<b>1,039,074</b>	<b>3,328,150</b>	<b>1,624,962</b>	<b>1,739,193</b>	<b>3,364,155</b>
<b>EXPENSES:</b>						
Program services:						
Global Proclamation Commission	906,574	-	906,574	926,195	-	926,195
Proclamation activities	285,454	-	285,454	163,709	-	163,709
Economic assistance	38,378	-	38,378	37,690	-	37,690
Other ministry activities	240,516	-	240,516	137,190	-	137,190
	1,470,922	-	1,470,922	1,264,784	-	1,264,784
Supporting activities:						
General and administrative	113,391	-	113,391	104,783	-	104,783
Fund-raising	146,908	-	146,908	167,312	-	167,312
	260,299	-	260,299	272,095	-	272,095
<b>Total Expenses</b>	<b>1,731,221</b>	<b>-</b>	<b>1,731,221</b>	<b>1,536,879</b>	<b>-</b>	<b>1,536,879</b>
Change in Net Assets	557,855	1,039,074	1,596,929	88,083	1,739,193	1,827,276
Net Assets, Beginning of Year	1,753,215	4,170,446	5,923,661	1,665,132	2,431,253	4,096,385
Net Assets, End of Year	<b>\$ 2,311,070</b>	<b>\$ 5,209,520</b>	<b>\$ 7,520,590</b>	<b>\$ 1,753,215</b>	<b>\$ 4,170,446</b>	<b>\$ 5,923,661</b>

See notes to financial statements

**RAMESH RICHARD EVANGELISM  
AND CHURCH HEALTH**

**Statements of Cash Flows**

	Year Ended December 31,	
	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 1,596,929	\$ 1,827,276
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	5,579	3,519
Change in operating assets and liabilities:		
Prepaid expenses and other current assets	(1,389,196)	(495,289)
Accounts payable and accrued expenses	24,413	(1,799)
Deferred revenue	39,483	-
Net Cash Provided by Operating Activities	277,208	1,333,707
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	(5,995)	(3,479)
Net Cash Used by Investing Activities	(5,995)	(3,479)
Net Change in Cash and Cash Equivalents	271,213	1,330,228
Cash and Cash Equivalents, Beginning of Year	5,438,070	4,107,842
Cash and Cash Equivalents, End of Year	\$ 5,709,283	\$ 5,438,070

See notes to financial statements

# RAMESH RICHARD EVANGELISM AND CHURCH HEALTH

## Notes to Financial Statements

December 31, 2015 and 2014

### 1. NATURE OF ORGANIZATION:

Ramesh Richard Evangelism and Church Health (RREACH) is organized as a not-for-profit corporation under the laws of Texas and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and is not a private foundation under Section 509(a) of the Code.

RREACH is a global proclamation ministry and implements God's calling and gifting on Ramesh Richard to promote the Lord Jesus Christ worldwide. The organization envisions changing the way One Billion Individuals think and hear about the Lord Jesus Christ. This mission is accomplished through personal proclamation, media outreach, and ministry training.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of RREACH have been prepared on the accrual basis of accounting. The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

#### USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of demand deposit accounts, commercial paper, and money market accounts which include highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. These accounts, at times, may exceed federally insured limits. RREACH has not experienced any losses on such accounts and believes they are not exposed to any significant credit risk.

#### PROPERTY AND EQUIPMENT—NET

Expenditures for property and equipment greater than \$500 are capitalized at cost. Donated items are recorded at estimated fair market value on the date of the gift. Depreciation is computed using the straight-line method over the estimated useful lives ranging between 4-7 years for property and equipment.

#### NET ASSETS

The financial statements report amounts by classification of net assets as follows:

*Unrestricted net assets* are currently available for use at the discretion of the board in RREACH's operations, as well as resources invested in property and equipment.

*Temporarily restricted net assets* are those stipulated by donors for specific operating purposes, programs, or for the acquisition of property and equipment.



# **RAMESH RICHARD EVANGELISM AND CHURCH HEALTH**

## **Notes to Financial Statements**

December 31, 2015 and 2014

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:**

#### **SUPPORT, REVENUE, AND RECLASSIFICATIONS, AND EXPENSES**

Contributions are recorded when cash or unconditional promises-to-give have been received, or ownership of donated asset is transferred. All noncash gifts are recorded as support at the estimated fair market value on the date of the gift. RREACH receives the majority of its support in contributions. RREACH records contributions as temporarily restricted if they are received with donor stipulations that limit their use either through purpose or time restrictions, or both. When donor restrictions expire, that is, when a stipulated time restriction ends or purpose restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. For contributions restricted by donors for the acquisition of property and equipment, the restriction is considered to be met when the property and equipment is placed in service.

Revenue is recorded when earned. Expenses are recorded when incurred in accordance with the accrual basis of accounting.

#### **FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various program services and supporting activities have been summarized in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting activities.

#### **UNCERTAIN TAX POSITIONS**

The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Interest and penalties, if any, are included in expenses in the statements of activities. As of December 31, 2015, the Organization had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

The Organization files information tax returns in the U.S. and various states. The Organization is generally no longer subject to U.S. federal and state income tax examinations by tax authorities for years before 2012.

#### **RECLASSIFICATIONS**

Certain prior year amounts have been reclassified to conform with current year presentation.

# RAMESH RICHARD EVANGELISM AND CHURCH HEALTH

## Notes to Financial Statements

December 31, 2015 and 2014

### 3. PROPERTY AND EQUIPMENT–NET:

Property and equipment–net consist of:

	December 31,	
	2015	2014
Furniture and equipment	\$ 22,845	\$ 20,267
Computer equipment and software	27,251	27,251
	<u>50,096</u>	<u>47,518</u>
Accumulated depreciation	(41,666)	(39,504)
	<u>\$ 8,430</u>	<u>\$ 8,014</u>

# RAMESH RICHARD EVANGELISM AND CHURCH HEALTH

## Notes to Financial Statements

December 31, 2015 and 2014

#### 4. TEMPORARILY RESTRICTED NET ASSETS:

The following table reflects the temporarily restricted activity by restriction during the year ended December 31, 2015:

	2014	Contributions	Net Assets released from restriction	2015
G-ProCommission	\$ 4,152,749	\$ 2,310,359	\$ (1,293,642)	\$ 5,169,466
Economic helps	17,697	49,798	(27,441)	40,054
Other projects	-	41,560	(41,560)	-
	<u>\$ 4,170,446</u>	<u>\$ 2,401,717</u>	<u>\$ (1,362,643)</u>	<u>\$ 5,209,520</u>

The following table reflects the temporarily restricted activity by restriction during the year ended December 31, 2014:

	2013	Contributions	Net Assets released from restriction	2014
G-ProCommission	\$ 2,410,276	\$ 2,590,018	\$ (847,545)	\$ 4,152,749
Economic helps	20,977	20,530	(23,810)	17,697
Other projects	-	50,580	(50,580)	-
	<u>\$ 2,431,253</u>	<u>\$ 2,661,128</u>	<u>\$ (921,935)</u>	<u>\$ 4,170,446</u>

The Global Proclamation Commission (G-Pro Commission) is a major ministry initiative of RREACH that comprises three pastoral training programs: the Dallas Global Proclamation Academy (started in 2005, the program brings 25 leading young pastors from 25 different countries to Dallas for three weeks of intensive training on the campus of Dallas Seminary), National Global Proclamation Academies (started in 2010, this is a national version of the Dallas GPA held in 10 countries each year with 25 leading younger pastors from the attending country), and the Global Proclamation Congress for Pastoral Trainers (the GProCongress is a major gathering of up to 5,000 pastoral trainers to be held in June 2016 in Bangkok, Thailand). Given its complexity and magnitude, planning and fund-raising for the GProCongress began in 2010 and has resulted in the ongoing accumulation of temporarily restricted funds, under G-Pro Commission, for the purpose of underwriting all related event costs. The majority of the event expenses will be incurred in 2016.

# **RAMESH RICHARD EVANGELISM AND CHURCH HEALTH**

## **Notes to Financial Statements**

December 31, 2015 and 2014

5. RETIREMENT PLAN:

RREACH maintains a defined contribution retirement plan under section 403(b) of the Code covering all regular, full-time employees who meet certain eligibility requirements. RREACH provides a 2% contribution to all full-time staff. In addition, staff may elect to contribute towards their retirement with RREACH matching the first 3% of personal contributions. Total employer contributions to the plan were \$17,111 and \$21,528 for the years ended December 31, 2015 and 2014, respectively.

6. CONCENTRATION RISK:

RREACH received contributions of approximately \$1,057,000 from four contributors and \$1,725,000 from five contributors during the years ended December 31, 2015 and 2014, respectively. These gifts accounted for approximately 32% and 51% of total contributions during the years ended December 31, 2015 and 2014, respectively. A majority of these gifts were restricted for the G-Pro Commission.

7. RELATED PARTY TRANSACTIONS:

RREACH utilizes the services of a company owned by a family member of the president for professional media services. For the years ended December 31, 2015 and 2014, the total paid to the company was \$53,000 and \$52,000 respectively. A total of \$1,236 and \$22,804, respectively, was paid to other family members for clerical services and miscellaneous projects during the years ended December 31, 2015 and 2014.

8. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through the report date, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

## **SUPPLEMENTAL INFORMATION**

**INDEPENDENT AUDITORS' REPORT  
ON SUPPLEMENTAL INFORMATION**

Board of Directors  
Ramesh Richard Evangelism and Church Health  
Dallas, Texas

We have audited the financial statements of Ramesh Richard Evangelism and Church Health as of and for the years ended December 31, 2015 and 2014, and our report thereon dated July 15, 2016, which expresses an unmodified opinion on those financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Capin Crouse LLP*

Dallas, Texas  
July 15, 2016

**RAMESH RICHARD EVANGELISM  
AND CHURCH HEALTH**

**Supplemental Schedule of Functional Expenses**

Year Ended December 31, 2015  
(With Summarized 2014 Totals)

	Program Services	General and Administration	Fund-raising	Total	2014 Total
Salaries	\$ 741,209	\$ 25,870	\$ 44,839	\$ 811,918	\$ 675,658
Payroll taxes and benefits	134,268	14,637	17,830	166,735	169,425
Total personnel costs	875,477	40,507	62,669	978,653	845,083
Contributions to other ministries	131,670	-	-	131,670	190,114
Disaster relief and aid	29,544	-	3	29,547	90,623
Facilities	30,278	3,785	3,785	37,848	90,396
Travel	221,150	1,610	1,326	224,086	74,208
Professional fees	10,171	13,834	37,535	61,540	52,956
Depreciation	1,105	2,873	442	4,420	38,126
Postage	7,988	8,504	14,219	30,711	35,569
Conferences	42,718	4,259	13,071	60,048	25,841
Printing and production	21,836	4,455	6,714	33,005	25,790
Dues and subscriptions	13,082	1,792	2,811	17,685	24,367
Bank fees	-	13,453	-	13,453	16,713
Office supplies	28,791	7,790	4,101	40,682	15,123
Advertising and recruitment	50,399	-	-	50,399	3,519
Miscellaneous	6,713	10,529	232	17,474	8,451
<b>Total</b>	<b>\$ 1,470,922</b>	<b>\$ 113,391</b>	<b>\$ 146,908</b>	<b>\$ 1,731,221</b>	<b>\$ 1,536,879</b>
<b>2014 Total</b>	<b>\$ 1,264,784</b>	<b>\$ 104,783</b>	<b>\$ 167,312</b>		<b>\$ 1,536,879</b>