

**MISSION ONE, INC.**

Financial Statements  
As of September 30, 2024 and 2023

With Independent Accountants' Review Report



**INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

To the Board of Directors of  
Mission ONE, Inc.

We have reviewed the accompanying financial statements of Mission ONE, Inc. (an Arizona nonprofit organization), which comprise the statements of financial position as of September 30, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

**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.

**Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Mission ONE, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

*Members:*

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## Independent Accountants' Review Report (Continued)

### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

### **Report on 2023 Financial Statements**

The accompanying 2023 financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated April 4, 2024. We have not performed any auditing procedures since that date.

***JDS Professional Group***  
***Certified Public Accountants, Consultants and Advisors, LLC***

April 30, 2025

**MISSION ONE, INC.**Statements of Financial Position  
September 30, 2024 And 2023

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	<u>2024 (Reviewed)</u>	<u>2023 (Audited)</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 282,472	\$ 213,354
Government ERC receivable	170,815	-
Promise to give	140,000	-
Inventory	3,745	4,188
Right-of-use asset, operating lease net of accumulated amortization of \$88,792	<u>-</u>	<u>22,767</u>
Total Assets	<u><u>\$ 597,032</u></u>	<u><u>\$ 240,309</u></u>
<b>LIABILITIES</b>		
Accounts payable	\$ 28,889	\$ 7,637
Lease liability	<u>-</u>	<u>22,948</u>
Total Liabilities	<u>28,889</u>	<u>30,585</u>
<b>NET ASSETS</b>		
Without donor restrictions	343,739	51,268
With donor restrictions	<u>224,404</u>	<u>158,456</u>
	568,143	209,724
Total Net Assets	<u>568,143</u>	<u>209,724</u>
Total Liabilities and Net Assets	<u><u>\$ 597,032</u></u>	<u><u>\$ 240,309</u></u>

See accompanying notes and independent accountants' review report.

**MISSION ONE, INC.**

## Statements of Activities

For the Years Ended September 30, 2024 And 2023

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	2024 (Reviewed)			2023 (Audited)		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:						
Contributions	\$ 1,033,557	\$ 426,749	\$ 1,460,306	\$ 790,149	\$ 282,520	\$ 1,072,669
Government contribution	170,815	-	170,815	-	-	-
Rental income	50	-	50	10,800	-	10,800
Product sales	1,639	-	1,639	3,150	-	3,150
Loss on disposal	-	-	-	(6,546)	-	(6,546)
Interest	3,081	-	3,081	3,642	-	3,642
Other	2,525	-	2,525	592	-	592
Net assets released from restrictions:						
Satisfaction of program restrictions	360,801	(360,801)	-	124,064	(124,064)	-
Total Support and Revenue	1,572,468	65,948	1,638,416	925,851	158,456	1,084,307
Expenses:						
Program services	755,938	-	755,938	840,725	-	840,725
Supporting services						
General and administrative	154,945	-	154,945	154,324	-	154,324
Fundraising	369,114	-	369,114	192,135	-	192,135
Total Supporting Services	524,059	-	524,059	346,459	-	346,459
Total Expenses	1,279,997	-	1,279,997	1,187,184	-	1,187,184
CHANGES IN NET ASSETS	292,471	65,948	358,419	(261,333)	158,456	(102,877)
NET ASSETS, beginning of year	51,268	158,456	209,724	312,601	-	312,601
NET ASSETS, end of year	<u>\$ 343,739</u>	<u>\$ 224,404</u>	<u>\$ 568,143</u>	<u>\$ 51,268</u>	<u>\$ 158,456</u>	<u>\$ 209,724</u>

See accompanying notes and independent accountants' review report.

**MISSION ONE, INC.**Statement of Functional Expenses  
For the Year Ended September 30, 2024

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	Program Services	Supporting Services			2024 Total (Reviewed)
	Partner Support and Projects	General and Administrative	Fundraising	Total Supporting Activities	
Salaries and related benefits	\$ 307,887	\$ 103,249	\$ 210,250	\$ 313,499	\$ 621,386
Partner projects	182,692	-	-	-	182,692
Partner relief	35,853	-	-	-	35,853
Partner support	105,510	-	-	-	105,510
Bank fees	750	-	11,724	11,724	12,474
Cost of sales	1,019	-	-	-	1,019
Education and conferences	3,387	-	-	-	3,387
Insurance	-	3,007	-	3,007	3,007
Licensing, dues and subscriptions	-	1,599	-	1,599	1,599
Communications	-	-	459	459	459
Meals and entertainment	7,397	408	2,335	2,743	10,140
Supplies	6,672	2,315	4,629	6,944	13,616
Postage and shipping	237	838	14,499	15,337	15,574
Printing	12,754	-	12,754	12,754	25,508
Professional services	16,796	30,694	60,692	91,386	108,182
Rent	25,478	8,839	17,679	26,518	51,996
Telephone and internet	1,413	490	980	1,470	2,883
Technology	9,425	3,270	6,540	9,810	19,235
Travel	12,062	-	11,498	11,498	23,560
Contractors	26,606	236	15,075	15,311	41,917
Total Expenses	<u>\$ 755,938</u>	<u>\$ 154,945</u>	<u>\$ 369,114</u>	<u>\$ 524,059</u>	<u>\$ 1,279,997</u>

See accompanying notes and independent accountants' review report.

**MISSION ONE, INC.**Statement of Functional Expenses  
For the Year Ended September 30, 2023

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	Program Services	Supporting Services			
	Partner Support and Projects	General and Administrative	Fundraising	Total Supporting Activities	2023 Total (Audited)
Salaries and related benefits	\$ 343,549	\$ 95,453	\$ 127,355	\$ 222,808	\$ 566,357
Partner support	94,983	-	-	-	94,983
Partner relief	3,709	-	-	-	3,709
Partner projects	124,082	-	-	-	124,082
Bank fees	1,546	-	14,014	14,014	15,560
Cost of sales	1,604	-	-	-	1,604
Education and conferences	4,106	-	-	-	4,106
Equipment, repairs and maintenance	11,868	6,818	6,566	13,384	25,252
Insurance	-	3,765	-	3,765	3,765
Licensing, dues and subscriptions	-	1,937	-	1,937	1,937
Communications	21,144	-	9,062	9,062	30,206
Meals and entertainment	20,314	909	621	1,530	21,844
Supplies	3,029	5,575	2,272	7,847	10,876
Postage and shipping	406	301	501	802	1,208
Printing	13,520	-	-	-	13,520
Professional services	104,489	15,623	-	15,623	120,112
Rent	39,980	22,968	22,117	45,085	85,065
Telephone and internet	1,697	975	938	1,913	3,610
Travel	50,699	-	8,689	8,689	59,388
Total Expenses	<u>\$ 840,725</u>	<u>\$ 154,324</u>	<u>\$ 192,135</u>	<u>\$ 346,459</u>	<u>\$ 1,187,184</u>

See accompanying notes and independent accountants' review report.

**MISSION ONE, INC.**

## Statements of Cash Flows

For the Years Ended September 30, 2024 and 2023

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	<u>2024 (Reviewed)</u>	<u>2023 (Audited)</u>
Cash flows from operating activities:		
Changes in net assets	\$ 358,419	\$ (102,877)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Amortization right-of-use asset	22,767	88,792
Loss on sale of equipment	-	4,647
Changes in assets and liabilities		
Increase (decrease) in assets:		
Grant receivable	(170,815)	-
Promise to give	(140,000)	-
Inventory	443	594
Increase (decrease) in liabilities:		
Accounts payable	21,252	(1,713)
Accrued salaries and benefits	-	(4,085)
Lease liability	(22,948)	(88,611)
Rent payable	-	(9,586)
Net cash provided by (used in) operating activities	<u>69,118</u>	<u>(112,839)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	69,118	(112,839)
Cash and cash equivalents, beginning of year	<u>213,354</u>	<u>326,193</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 282,472</u>	<u>\$ 213,354</u>
Supplemental cash flow information related to leases:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	<u>\$ 23,103</u>	<u>\$ 91,506</u>

See accompanying notes and independent accountants' review report.



**NOTE 1 – Nature of the Organization**

Mission ONE, Inc. (the "Organization") was formed in 1991 under the laws of the State of Tennessee. The Organization partners with the Global Church in making communities more like the Kingdom of God. Its vision is: A world where every community is transformed for the glory of God and the honor of all peoples. The Organization equips and trains the Global Church to transform communities in hard places along with funding for special strategic projects. The Organization also helps churches in the United States engage in healthy, multi-faceted, cross-cultural partnerships with proven-effective ministries among unreached peoples.

The Organization sells training resources to help equip individuals and churches for missions in the 21<sup>st</sup> century.

**NOTE 2 - Summary of Significant Accounting Policies**

**Basis of Accounting**

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**Basis of Presentation**

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and with donor restrictions as follows:

**Net assets without donor restrictions:** Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

**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 passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity.

**Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

For the purpose of the statement of cash flows, the Organization considers cash and cash equivalents to be highly liquid financial instruments with initial maturities of three months or less. This includes cash on hand, deposits in checking and savings accounts, and money market funds held in a brokerage account.

**Inventory**

Inventory consists of video curriculum materials, books, and other resources and is stated at the lower of cost or net realizable value determined by the first-in, first-out method.

**Promises To Give**

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Promises to give are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. As of September 30, 2024, of the total promises to give of \$140,000, \$70,000 is current and expected to be received during the year ended September 30, 2025, and \$70,000 in promises to give are expected to be received during the year ended September 30, 2026. As of September 30, 2024, there was no discount on noncurrent promises to give as the amount is insignificant to the overall financial statements.

**Leases**

The Organization determines if an arrangement is or contains a lease at inception. The Organization does not report right-of-use assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term. Lease expense for the years ended September 30, 2024, and 2023 was \$51,996 and \$85,065, respectively.

**Measure of Operations**

The statement of activities reports all changes in net assets, including changes in net assets from the operating and nonoperating activities. Operating activities consists of those items attributable to the Organization's ongoing program services and investment earnings. Nonoperating activities are limited to activities considered to be of a more unusual or non-recurring nature.

**Revenue and Revenue Recognition**

The Organization recognizes contributions when cash, securities, or an unconditional promise to give is received. Unconditional promises to give are recorded at net realizable value if expected to be collected in one year and at net present value if expected to be collected in more than one year.

Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return are not recognized until the conditions on which they depend have been met.

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 is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, 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 activities as net assets released from restrictions.

The Organization recognizes product sales at the point in time when the sale occurs. Rental income is recognized as amounts become due.

Certain donated services, goods, and facilities that meet the criteria for recognition, are reflected in the financial statements at their estimated fair market value at the time of the donation. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. There were no donated services for the year ended September 30, 2024, or 2023, respectively.

**Methods Used for Allocation of Expenses from Management and General Activities**

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and related benefits, rent, and technology which are allocated on the basis of estimates of time or effort. All other expenses are based on direct cost methods.

**Subsequent Events**

Management has performed an evaluation of subsequent events through the date of this report, which is the date the financial statements were available to be issued.

**NOTE 3 - Income Taxes**

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code; therefore, no provision for income taxes has been provided. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization other than a private foundation under Section 509(a)(1). Accordingly, the accompanying financial statements contain no provision for income taxes.

Management believes that the Organization has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

The Organization is no longer subject to U.S. federal tax audits on its Form 990 by taxing authorities for years ending prior to September 30, 2021. The years subsequent to this year contain matters that could be subject to differing interpretations of applicable tax laws and regulations. Although the outcome of tax audits is uncertain, the Organization believes no material issues would arise.

**NOTE 4 - Leases**

The Organization evaluated current contracts to determine which met the criteria of a lease. The ROU asset represents the Organization's right to use the underlying asset for the lease term, and the lease liability represents the Organization's obligation to make lease payments arising from the lease. The ROU asset and lease liability, all of which arise from an operating lease, were calculated based on the present value of the future minimum lease payments over the lease term. Because the Organization does not have access to the rate implicit in the lease, the risk-free rate as of the lease implementation date is utilized as the discount rate. The weighted average discount rate associated with operating leases as of September 30, 2024 was 4.05%.

The Organization leased office space which required minimum monthly payments of \$7,550 increasing to \$7,701 in April 2023 through the end of the lease term in January 2024.

**MISSION ONE, INC.**

Notes to Financial Statements  
September 30, 2024 and 2023

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Total rent expense for this agreement was \$85,064 with a weighted-average remaining lease term of 4 months for the year ended September 30, 2023.

Future maturities for lease liabilities for the year ending September 30, 2023:

For the year ended September 30, 2023:

2024	\$ 23,103
Total lease payments	\$ 23,103
Less present value discount	(155)
Total lease obligations	<u>\$ 22,948</u>

The Organization relocated in January 2024 and signed a short-term lease effective January 2024 and ending September 30, 2024. During October 2024, the Organization moved to a new location under a month-to-month lease obligation. As of September 30, 2024, lease expense was \$51,996.

**NOTE 5 – Net Assets With Donor Restrictions**

Net assets with donor restrictions consisted of the following purposes as of September 30, 2024, and 2023:

	<u>2024</u>	<u>2023</u>
Partner relief	\$ -	\$ 12,676
Partner projects	<u>224,404</u>	<u>145,780</u>
Total	<u>\$ 224,404</u>	<u>\$ 158,456</u>

**NOTE 6 – Concentration of Credit Risk**

The Organization's cash demand deposits and money market funds are held at financial institutions at which deposits are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) per institution. The Organization's deposits exceeded the FDIC's limits by \$35,683 as of September 30, 2024.

**NOTE 7 - Retirement Plan**

The Organization has a 403(b) retirement plan that allows employees to make tax-sheltered contributions on a salary reduction basis. Employees are eligible for retirement benefits after one year of full-time employment. For eligible employees, the Organization contributes 2% of the employee salaries and matches up to 5% of the employee salaries. Amounts contributed to the plan were \$21,460 and \$26,008 for the years ended September 30, 2024 and 2023, respectively.

**NOTE 8 - Liquidity and Funds Available**

The following table reflects the Organization's financial assets as of September 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Financial assets at year-end		
Cash and cash equivalents	\$ 282,472	\$ 213,354
Promises to give, current portion	<u>70,000</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures due within one year	<u>\$ 352,472</u>	<u>\$ 213,354</u>

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statements of financial position dates. The Organization manages its liquidity and reserves by adhering to an adopted budget for operating expenses based on projected fiscal year revenue. The budget is reviewed by management and approved by the Board of Directors. The Organization structures its financial assets to be available as its general expenditures, liabilities and other obligations come due.