MISSION MUTUAL

Arlington, Texas

Financial Statements

Year Ended December 31, 2022

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Financial Statements
Year Ended December 31, 2022

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Mission Mutual
Arlington, Texas

Opinion

We have audited the accompanying financial statements of Mission Mutual (the "Organization"), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mission Mutual as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 6 to the financial statements, management has elected to change its policy for reporting agency fund activities in 2022. Our opinion is not modified with respect to that matter.

Management's Responsibilities 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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, including omissions, 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.

PSK LLP

Arlington, Texas
February 21, 2023

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Statement of Financial Position
December 31, 2022

ASSETS

Cash	$ 3,154,593
Property and equipment, net	15,874
Other assets	62,242
Total assets	$ 3,232,709

LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable	$ 35,053
Agency funds	907,451
Lease obligation	66,091
Total liabilities	1,008,595
Net assets	
Without donor restrictions	2,224,114
Total liabilities and net assets	$ 3,232,709

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

MISSION MUTUAL
Statement of Activities
Year Ended December 31, 2022

Change in net assets without donor restrictions:

	Total
Support and other revenues	
Contributions	$ 3,842,000
Other income	1,445
Total support and other revenues	3,843,445
Expenses	
Program expenses	1,891,081
Supporting services	893,864
Total expenses	2,784,945
Change in net assets	1,058,500
Net assets at beginning of the year, as restated	1,165,614
Net assets at end of the year	$ 2,224,114

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

MISSION MUTUAL
Statement of Functional Expenses
Year Ended December 31, 2022

	Program Expenses	Supporting Services	Total
Personnel	$1,487,618	$ 637,550	$2,125,168
Support for others	72,899		72,899
Supplies and resources	59,160	96,266	155,426
Professional services	-	119,224	119,224
Facilities	67,497	28,927	96,424
Travel	202,840	11,440	214,280
Depreciation	1,067	457	1,524
			-
	$1,891,081	$ 893,864	$2,784,945

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

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Statement of Cash Flows
Year Ended December 31, 2022

Cash Flows From Operating Activities:	
Change in net assets	$ 1,058,500
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	1,524
Noncash portion of lease expense	1,300
(Increase) decrease in assets:	
Increase (decrease) in liabilities:	
Accounts payable	34,713
Agency funds	572,527
Net cash and cash equivalents provided by operating activities	1,668,564
Cash Flows From Investing Activities:	
Purchase of property and equipment	(16,227)
Change in cash	1,652,337
Cash at beginning of the year	1,502,256
Cash at end of the year	$ 3,154,593

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

MISSION MUTUAL
Notes to Financial Statements

1 - Organization and Nature of Activities

Mission Mutual (the "Organization") was incorporated in the state of Texas as a not-for-profit religious organization in 2017. The Organization is exempt under Internal Revenue Code section 501(c)(3), as other than a private foundation.

The Organization's mission is equipping mission, ministry, and philanthropic organizations of similar vision with the organizational and relational perspective needed to accelerate and enhance their collective impact.

As a backbone organization uniquely positioned in the missiological, ministerial, and philanthropic space, Mission Mutual exists to weave together likeminded organizations and position them for greater Collective Impact.

The Collective Impact approach is premised on the belief that no single organization or program can tackle or solve the most complex and broadest scale problems. These call for multiple organizations or entities (from an intra-sector perspective) to prioritize a common agenda, identify shared goals, and form alignment of effort in view of their own. Sustainable Collective Impact initiatives require centralized support and coordination – often known as a backbone organization – with dedicated staff whose role is to help participating organizations shift from acting alone to acting in concert.

We draw our inspiration for relational unity from the concept of a triple-strand cord found in Ecclesiastes 4:12. While one strand may hold something together well, two strands increase the strength and capacity available, and three strands are even more formidable. Applying this allegory in a concrete way, we provide the environment, tools, and knowledge necessary to foster lasting partnerships between organizations looking to create Collective Impact through alliance.

2 - Summary of Significant Accounting Policies

Basis of Accounting - The financial statements of the Organization have been prepared on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when the obligation is incurred. The financial statements of the Organization have been prepared using accounting principles generally accepted in the United States of America ("U.S. GAAP").

Adoption of New Accounting Standard - In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, Leases (Topic 842), which requires lessees to recognize a right-of-use asset and a lease liability for most leases on the statement of financial position sheet as well as other qualitative and quantitative disclosures. ASU 2016-02 is to be applied using a modified retrospective method and became effective for the Organization on January 1, 2022. In July 2018, the FASB issued ASU 2018-11, Leases (Topic 842): Targeted Improvements, which provides an optional transition method allowing organizations to recognize a cumulative-effect adjustment to the opening balance of net assets in the period of adoption, with no restatement of comparative prior periods required. The Organization adopted the standard using this optional transition method.

The FASB has provided certain practical expedients in applying the standard. Of the allowed practical expedients within the standard, the Organization elected the package of practical expedients which, among other things, allowed for historical lease classification to be carried forward upon adoption of the standard. The Organization did not elect the hindsight practical expedient when determining the lease term for existing leases. In addition, the Organization did not separate non-lease components from lease components by class of underlying assets where appropriate and the Organization did not apply the recognition requirements of the standard to short-term leases with an initial term of 12 months or less, as allowed by the standard.

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Notes to Financial Statements

2 - Summary of Significant Accounting Policies (continued)

Adoption of New Accounting Standard - (continued)

Upon adoption of the standard, the Organization recorded a $116,655 increase in other assets, and a corresponding $119,204 increase in liabilities and $2,549 decrease in net assets, on the statement of financial position, as of January 1, 2022. The adoption of the standard did not have a material impact on the Organization's statement of activities or statement of cash flows.

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

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor 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 the passage of time or other events specified by the donor. Other donor-imposed restrictions may be 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.

Revenues and Support - Revenues and support for the Organization are primarily derived from contributions and grants from ministry resource partners.

Donated Services - No amounts have been reflected in the financial statements for donated services. The Organization pays for most services requiring specific expertise.

Donated Assets - Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of the donation.

Compensated Absences - Employees of the Organization are entitled to paid vacation depending upon length of service and other factors. The Organization cannot reasonably estimate the amount of compensation for future absences; accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the cost of compensated absences when paid to employees.

Concentrations of Credit Risk - The Organization occasionally maintains deposits with financial institutions in excess of federally insured limits. The Organization has not experienced any losses in such accounts, and management does not believe it is exposed to any significant credit risk.

Cash and Cash Equivalents - The Organization considers all bank deposits and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

Property and Equipment - Property and equipment with cost equal to or greater than $2,500 is recorded at cost, if purchased, and fair market value at date of donation, if contributed. Maintenance, repairs, and minor renewals that do not significantly improve or extend the lives of the representative assets are expensed when incurred.

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Notes to Financial Statements

2 - Summary of Significant Accounting Policies (continued)

Property and Equipment - (continued)

Depreciation is calculated using the straight-line method over estimated useful lives as follows:

Computer hardware and software	36 months
Office furniture and equipment	60 months
Leasehold improvements	Lease term

Leases - The Organization recognizes a right-of-use asset and a lease liability on the effective date of a lease agreement. Right-of-use assets represent the right to use an underlying asset over the lease term and lease liabilities represent the obligation to make lease payments resulting from the lease agreement. The Organization initially records these assets and liabilities based on the present value of lease payments over the lease term calculated using its incremental borrowing rate applicable to the leased asset or the implicit rate within the lease agreement if it is readily determinable. Lease agreements with lease and non-lease components are combined as a single lease component. Right-of-use assets additionally include net prepaid lease expenses. Options to extend or terminate an agreement are included in the lease term when it becomes reasonably certain the option will be exercised. Leases with an initial term of 12 months or less, short-term leases, are not recorded on the statement of financial position for all underlying asset classes. Lease expense for short-term and long-term operating leases is recognized on a straight-line basis over the lease term, while variable lease payments are expensed as incurred.

Agency Funds - The Organization lacks discretion and control over the use of certain funds which are administered on behalf of ministry partners. For financial reporting purposes, such funds on hand at any given time are carried as a liability on the accompanying statement of financial position.

Compensated Absences - Employees of the Organization are entitled to paid vacation depending upon length of service and other factors. The Organization cannot reasonably estimate the amount of compensation for future absences; accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the cost of compensated absences when paid to employees.

Concentrations of Credit Risk - The Organization occasionally maintains deposits with financial institutions in excess of federally insured limits. The Organization has not experienced any losses in such accounts, and management does not believe it is exposed to any significant credit risk.

Income Taxes - The Organization follows the Income Taxes topic of the FASB *Accounting Standards Codification* (the "ASC"), which prescribes a comprehensive model for the financial statement recognition, measurement, presentation, and disclosure of uncertain tax positions taken or expected to be taken in income tax returns. The Organization is not aware of any activities that would jeopardize its tax-exempt status and is not aware of any activities that are subject to tax on unrelated business income. As of December 31, 2022, the Organization has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements and does not expect this to change in the next twelve months.

Functional Allocation of Expenses - The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited on the basis of estimates of time and effort.

Subsequent Events - Subsequent events have been evaluated through February 21, 2023, which is the date the financial statements were available to be issued.

3 - Liquidity and Availability of Resources

Financial assets available for general expenditure within one year of the date of the statement of financial position are those assets classified as cash and cash equivalents; however, they are encumbered by the balance of agency funds on hand at any given time, as the Organization is obligated to expend agency funds in accordance with a ministry agreement, and not at its own discretion.

Virtually all of the Organization's revenues and support are derived from one ministry partner, the ETEN Alliance ("ETEN"), and all agency funds received by the Organization are administered on behalf of ETEN.

4 - Property and Equipment

As of December 31, 2022, property and equipment consisted of the following:

Equipment	$ 10,033
Office furniture	12,969
Less: accumulated depreciation	(7,128)
	$ 15,874

5 - Leases

As of December 31, 2022, the Organization had an obligation remaining under an operating lease arrangement for office space.

Operating lease right-of-use assets and operating lease liabilities are classified as other assets and other liabilities, respectively, within the statement of financial position.

As of December 31, 2022, the remaining term for the Organization's lease obligation was 14 months and the discount rate was 3.25%. Future minimum lease payments under this operating lease as of December 31, 2022 are as follows:

Year Ending December 31,	Amount
2023	$ 57,773
2024	9,672
Total lease payments	67,445
Less interest	(1,354)
Present value of lease obligation	$ 66,091

During the year ended December 31, 2022, cash paid for amounts included in the measurement of operating lease liabilities was $56,205, while $54,905 of operating lease expense was recognized on a straight-line basis. Operating lease expense is allocated within facilities in the statement of functional expenses.

Additional variable lease payments for the year ended December 31, 2022 totaled $18,384.

6 - Restatement of Net Assets

Changes in Accounting Principle

Effective January 1, 2022, management has elected to treat activities executed on behalf of its ministry partner, the ETEN Alliance, as agency funds. The receipt of such funds is not intended to benefit the Organization, but instead further the mission of ETEN as they are administered in accordance with an agreed upon budget. Consequently, the Organization does not have sufficient discretion and control over the use of such funds to consider them contributions, and management believes the balance of any agency funds on hand at any given time is more appropriately accounted for as a liability instead of net assets with donor restrictions.

In conjunction with the adoption of ASU 2016-02, the Organization decreased net assets without donor restrictions by $2,549 to account for the difference between straight-line amortization of its lease obligation and the escalating annual cash flows required under its lease agreement.

Prior Period Adjustment

Due to the aforementioned changes in accounting principle, net assets with donor restrictions has been restated in order to properly state beginning net assets:

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets at beginning of the year			
As originally reported	$ 1,168,163	$ 334,924	$ 1,503,087
Changes in accounting principles			
Reclassification of agency funds		(334,924)	(334,924)
Adoption of new lease standard	(2,549)	-	(2,549)
Net assets at beginning of the year			
As restated	$ 1,165,614	$ -	$ 1,165,614

7 - Agency Fund Activities

Agency fund activities for the year ended December 31, 2022 are set forth as follows:

Balance as of December 31, 2021	$ 334,924
ETEN Alliance:	
Receipts	5,701,398
Expenditures	(5,128,871)
Balance as of December 31, 2022	$ 907,451