MISSION QUEST

FINANCIAL STATEMENTS

DECEMBER 31, 2023

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Warady & Davis LLP
Certified Public Accountants & Consultants

INDEPENDENT AUDITORS' REPORT

Board of Directors
Mission Quest
Wheaton, Illinois

Opinion

We have audited the accompanying financial statements of MISSION QUEST (an Illinois nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and cash flows for the years 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 QUEST as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 MISSION QUEST 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

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 MISSION QUEST's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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, 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 MISSION QUEST'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 MISSION QUEST'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.

Warady & Davis LLP

July 1, 2024

STATEMENTS OF FINANCIAL POSITION

As of December 31		**2023**		2022
ASSETS				
CURRENT ASSETS				
Cash	**$**	**1,226,722**	$	1,058,312
Investments, at Fair Value		**204,786**		183,872
Contributions Receivable		**61,615**		23,477
Prepaid Expenses		**2,761**		4,193
	$	**1,495,884**	$	1,269,854
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Grants Payable to Missionaries	**$**	**322,355**	$	280,961
Accounts and Credit Cards Payable		**8,951**		8,796
Accrued Expenses		**6,344**		4,002
Total Current Liabilities		**337,650**		293,759
NET ASSETS				
Without Donor Restrictions		**1,158,234**		976,095
	$	**1,495,884**	$	1,269,854

STATEMENTS OF ACTIVITIES

For the Years Ended December 31	**2023**	2022
REVENUES		
Support Revenues		
Contributions	**$ 3,732,065**	$ 3,339,111
Donated Services	**4,100**	4,040
Other Revenues and Expenses		
Investment Income/(Losses), net	**26,307**	(31,968)
Total Revenues	**3,762,472**	3,311,183
EXPENSES		
Program Services		
Grants to Missionaries	**2,961,129**	2,918,161
Donations	**85,174**	6,050
Salaries and Wages	**76,004**	29,981
Payroll Taxes	**5,900**	2,348
Employee Benefits	**6,120**	—
Housing Allowance	**133,440**	122,760
Postage and Shipping	**1,158**	433
Printing	**4,481**	3,637
Office Supplies and Expenses	**2,075**	—
Meals	**11,378**	8,647
Auto Mileage Reimbursement	**33,779**	25,840
Travel	**99,068**	47,607
Meetings, Conferences and Training	**15,136**	56,548
Website	**3,190**	3,200
Total Program Services Expenses	**3,438,032**	3,225,212
Supporting Services		
Management and General		
Salaries and Wages	**8,942**	3,748
Payroll Taxes	**694**	294
Employee Benefits	**720**	—
Postage and Shipping	**10**	70
Auto Mileage Reimbursement	**500**	524
Gifts	—	300
Dues and Subscriptions	**14,871**	13,290
Professional Fees	**61,438**	46,182
Processing, Registrations and Other Filing Fees	**2,257**	3,400
Office Supplies and Expenses	**384**	4,620
Insurance	**4,132**	3,214
Advertising	**304**	—
Bank and Processing Fees	**2,678**	5,029
Total Management and General Expenses	**96,930**	80,671
Fundraising		
Salaries and Wages	**4,471**	3,747
Payroll Taxes	**347**	293
Employee Benefits	**360**	—
Printing	**3,112**	2,757
Website	**3,190**	3,200
Credit Card Fees	**33,891**	34,706
Total Fundraising Expenses	**45,371**	44,703
Total Supporting Services	**142,301**	125,374
Total Expenses	**3,580,333**	3,350,586
CHANGE IN NET ASSETS	**182,139**	(39,403)
Net Assets, Beginning of Year, as Previously Reported	**976,095**	544,009
Prior Period Adjustment	—	471,489
Net Assets, Beginning of Year, as Restated	**976,095**	1,015,498
NET ASSETS, ENDING	**$ 1,158,234**	$ 976,095

See accompanying notes.

STATEMENTS OF CASH FLOWS

For the Years Ended December 31	**2023**	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	**$ 182,139**	$ (39,403)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities		
Donated Stock	**(3,335)**	(9,811)
Proceeds from Sale of Donated Stock	**8,260**	6,746
Realized/Unrealized (Gain) Loss on Investments	**(23,185)**	39,078
(Increase) Decrease in Contributions Receivable	**(38,138)**	34,855
(Increase) Decrease in Prepaid Expenses	**1,432**	(301)
Increase (Decrease) in Grants Payable to Missionaries	**41,394**	(79,283)
Increase (Decrease) in Accounts and Credit Card Payable	**155**	4,941
Increase in Accrued Expenses	**2,342**	4,002
Total Adjustments	**(11,075)**	227
Net Cash Provided (Used) by Operating Activities	**171,064**	(39,176)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	**—**	(104,225)
Proceeds from Sales of Investments	**—**	7,775
Dividend Reinvestments	**(4,006)**	(8,391)
Net Change in Money Market Funds Held in Investment Portfolio	**1,352**	(2,212)
Net Cash Used by Investing Activities	**(2,654)**	(107,053)
NET INCREASE (DECREASE) IN CASH	**168,410**	(146,229)
Cash, Beginning	**1,058,312**	1,204,541
CASH, ENDING	**$ 1,226,722**	$ 1,058,312

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

ORGANIZATION AND NATURE OF ACTIVITIES

Mission Quest (the Organization) is a not-for-profit corporation incorporated in the State of Illinois on August 18, 2015. Its primary purpose is to support Christian missions and missionaries both domestically and internationally.

Revenues are derived primarily from contributions. The majority of the raised funds are awarded to the missionaries that Mission Quest supports.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of management who is responsible for their integrity and objectivity. These accounting policies conform to U.S. generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

BASIS OF ACCOUNTING

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, prepaid expenses, payables, and other liabilities.

BASIS OF PRESENTATION

Financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) Codification for not-for-profit organizations, which requires reporting information regarding its financial position and activities, based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations plus those resources for which donor-imposed stipulations have been satisfied. Net assets without donor restrictions may be designated by action of the Board of Directors.

Net assets with donor restrictions - Net assets that are subject to donor-imposed stipulations that may or will be met either by actions of the Organization (purpose restrictions) and/or the passage of time (time restrictions). As the restrictions are satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the accompanying financial statements as net assets released from restrictions. At December 31, 2023 and 2022, the Organization had no net assets with donor restrictions.

Net assets with donor restrictions can also be subject to donor-imposed stipulations, which require that the principal be maintained in perpetuity by the Organization. Investment income, including realized and unrealized gains and losses are classified as net assets with time and purpose restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by the Uniform Prudent Management of Institutional Funds Act (UPMIFA). These funds are typically described as endowment funds. The Organization had no net assets with donor restrictions in perpetuity at December 31, 2023 and 2022.

Revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates.

PUBLIC SUPPORT

The Organization accounts for contributions received and unconditional promises to give under the provisions of the FASB Codification topic related to contributions made and received. In accordance with the Codification, contributions are recognized as support revenue when received, depending on the existence and/or nature of any donor restrictions. Unconditional promises to give are recognized when received or promised at the estimated present value of future cash flows, net of allowances. Conditional contributions are recorded when the conditions have been met. Contributions are considered to be without donor restrictions unless specifically restricted by the donor. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), restricted net assets are reclassified to net assets without donor restriction and reported in the statements of activities as net assets released from restrictions.

The Organization accepts stock donations which are recorded at their fair value on the date of receipt. It is the Organization's policy to sell these donations immediately.

Gains and losses on other assets and liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

INVESTMENTS

The Organization follows the provisions of the FASB Codification for accounting for investments held by not-for-profit organizations. This standard requires that investments in marketable securities be accounted for at fair value. Fair value is based on quoted market prices. Realized gains and losses are the differences between the proceeds received and the cost of investments sold. Unrealized gains and losses are the differences between the fair value and the cost of investments and are included in the change in net assets.

Interest and dividend income and realized and unrealized gains and losses on investments are recognized in the statements of activities as investment income, net of investment expenses.

NOTES TO FINANCIAL STATEMENTS

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

DONATED GOODS AND SERVICES

The Organization records donated goods at fair market value when received when there is an objective basis for determining such values. There were no material donated goods received for the years ended December 31, 2023 or 2022.

Donated services are recognized as revenues at their estimated fair value when they create or enhance nonfinancial assets or they require specialized skills which would need to be purchased if they were not donated. The Organization received $4,100 of donated accounting services in 2023 and $4,040 in 2022. These amounts are reflected in the statements of activities as donated services revenue and as professional fees expense. These services are valued based on prevailing hourly rates donated in the Organization’s principal market for the same kind of professional services. The Organization also receives donated services from volunteers and board members who assist with the operations. The value of these services has not been recognized in the statements of activities since they do not meet the criteria for recognition under the Not-for-Profit Entities topic of the FASB Codification related to contributions made and received.

INCOME TAXES

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is similarly classified for state purposes. The Organization has not been classified as a private foundation under Internal Revenue Code (IRC) Section 501(a) and qualifies for deductible contributions under IRC Section 170(c).

The Organization has adopted the guidance in the FASB Codification topic related to uncertainty in income taxes which prescribes a comprehensive model for recognizing, measuring, presenting and disclosing in the financial statements uncertain tax positions that the Organization has taken or expects to take in its tax returns. Under the guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is "more likely than not” that it is sustainable, based on its technical merits. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority having full knowledge of all relevant information.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Expenses are charged directly to programs or supporting service categories based upon specific identification where possible. Accordingly, certain costs have been allocated among the programs and supporting services benefited, based on direct charges or allocated based on time spent for salaries and payroll taxes or utilization percentages for website and donor platforms.

NOTE 2—LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date are comprised of the following:

	2023	2022
Cash	$ **1,226,722**	$ 1,058,312
Investments	**204,786**	183,872
Contributions Receivable	**61,615**	23,477
	$ **1,493,123**	$ 1,265,661

As part of its liquidity management plan, the Organization attempts to maintain sufficient cash to meet current operating needs and structure its financial assets to be available when its obligations become due. As the Organization has no donor restricted net assets the entire amount is available for expenditure.

Although it appears that the Organization does not have sufficient assets available to meet one year of expenditures, as donations are received from donors, payments are provided to missionaries, so expenditures will fluctuate annually depending on contributions received. Thus, liquid assets and subsequent year's revenue should be sufficient to meet current operating needs.

NOTE 3—INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments consist of the following at December 31:

	2023	2022
Exchange Traded and Closed End Funds		
Midcap Growth	$ **12,793**	$ 11,519
Growth and Income	**10,064**	9,350
	22,857	20,869
Mutual Funds		
Income Funds	**21,928**	20,269
International	**15,093**	13,188
Growth and Income	**100,290**	83,109
Midcap Growth	**11,623**	9,056
Aggressive Income	**20,852**	20,300
Small Cap Growth	**10,162**	8,585
Total Mutual Funds	**179,948**	154,507
Common Stock - Technology	—	5,010
Money Market Funds	**1,981**	3,333
Uninvested cash	—	153
	$ **204,786**	$ 183,872

NOTE 3—INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

The following schedule summarizes the investment income for the years ended December 31:

	2023	2022
Dividends	**$ 5,133**	$ 8,960
Net Unrealized Gain (Loss)	**23,185**	(39,078)
Investment Fees	**(2,011)**	(1,850)
Investment Income (Losses), net	**$ 26,307**	$ (31,968)

The FASB Codification provides a framework for measuring fair value using a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodology used at December 31, 2023.

Level 1 Fair Value Measurements

Fair values for the Organization's mutual funds, exchange traded and closed-end funds and common stock were based on quoted market prices and are all valued using level one inputs at December 31, 2023 and 2022.

Level 2 Fair Value Measurements

The Organization has no level 2 investments at December 31, 2023 and 2022.

NOTE 3—INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Level 3 Fair Value Measurements

The Organization has no level 3 investments at December 31, 2023 and 2022.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 4—CONCENTRATION OF CREDIT RISK

The Organization maintains its cash in bank accounts at high-quality financial institutions, with insurance coverage of up to $250,000 by the Federal Deposit Insurance Corporation (FDIC). Cash balances, at times, may exceed federally-insured limits. At December 31, 2023 and 2022, the Organization had a deposit at a financial institution in excess of the FDIC limit by $965,565 and $807,332, respectively. The Organization has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk on cash.

The Organization's investments are exposed to various risks such as interest rate, credit and overall market volatility. Due to these risk factors, it is reasonably possible that changes in the fair value of investments will occur in the near term and materially affect the amounts reported in the financial statements.

Credit risk associated with contributions receivable is considered to be limited due to the fact that the amount is owed from a third party service provider who collects the donations on behalf of the Organization. These contributions were made by donors supportive of the Organization's mission.

NOTE 5—PRIOR PERIOD ADJUSTMENT

During the year ended December 31, 2022, it was determined that two prior period adjustments totaling $471,489 were required. The first was due to an overstatement of contributions receivable in prior years. This resulted from amounts reflected in the general ledger as contributions due from the Organization's third party payor, but those amounts were never received by the third party payor and were recorded erroneously, thus overstating contributions receivable by $42,804. The effect of this correction was to decrease net assets and decrease contributions receivable by $42,804.

The second prior period adjustment resulted from a reduction of prior year grants payable to missionaries by $514,293 as this amount was not truly unconditionally awarded at year-end and thus was not a true expense during 2022. The effect of this correction was to increase net assets and increase grants to missionaries expense.

NOTE 6—SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 1, 2024, the date which the financial statements were available for issue. There are no subsequent events which require disclosure.