

Peru Mission USA, Inc.

Financial Statements

Year Ended September 30, 2020

Table of Contents

Independent Auditors' Report..... 1

Statement of Financial Position2

Statement of Activities and Changes in Net Assets3

Statement of Functional Expenses.....4

Statement of Cash Flows5

Notes to Financial Statements.....6 – 7



Independent Auditors' Report

Board of Directors
Peru Mission USA, Inc.

We have audited the accompanying financial statements of Peru Mission USA, Inc. (the "Organization"), which comprise the statement of financial position as of September 30, 2020 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year 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 audit. We conducted our audit 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 auditors' 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 Organization'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 Organization'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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Peru Mission USA, Inc. as of September 30, 2020, its change in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Dixon Hughes Goodman LLP

Greenville, South Carolina
February 2, 2021

Peru Mission USA, Inc.
Statement of Financial Position
September 30, 2020

ASSETS

Cash and cash equivalents	\$	519,210
Prepaid expenses		<u>30,187</u>
Total assets	\$	<u><u>549,397</u></u>

NET ASSETS

Without Donor Restrictions	\$	30,224
With Donor Restrictions		<u>519,173</u>
Total net assets	\$	<u><u>549,397</u></u>

Peru Mission USA, Inc.
Statement of Activities and Changes in Net Assets
For the Year Ended September 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue:			
Contributions	\$ 92,183	\$ 965,592	\$ 1,057,775
Interest income	40	-	40
Net assets released from restrictions	<u>879,192</u>	<u>(879,192)</u>	<u>-</u>
Total revenues	<u>971,415</u>	<u>86,400</u>	<u>1,057,815</u>
Expenses:			
Program services	873,761	-	873,761
Administrative expenses	57,973	-	57,973
Fundraising	<u>2,957</u>	<u>-</u>	<u>2,957</u>
Total expenses	<u>934,691</u>	<u>-</u>	<u>934,691</u>
Change in net assets	36,724	86,400	123,124
Net assets (deficiency), beginning of year	<u>(6,500)</u>	<u>432,773</u>	<u>426,273</u>
Net assets, end of year	<u>\$ 30,224</u>	<u>\$ 519,173</u>	<u>\$ 549,397</u>

Peru Mission USA, Inc.
Statement of Functional Expenses
For the Year Ended September 30, 2020

	<u>Program Services</u>	<u>Administrative</u>	<u>Fund Raising</u>	<u>Total</u>
Contract labor	\$ -	\$ 19,978	\$ -	\$ 19,978
Allocations and grants to affiliates	363,105	-	-	363,105
Administrative	-	18,510	-	18,510
Accounting	-	9,800	-	9,800
Missionary support	393,535	-	-	393,535
Benefits paid to our members	82,649	-	-	82,649
Supplies	2,386	-	-	2,386
Ministry expense	143	-	-	143
Short term mission team	7,521	-	-	7,521
Micellaneous	-	1,837	-	1,837
Postage, shipping and delivery	-	2,958	2,957	5,915
Travel and meetings expenses	19,858	-	-	19,858
Conference, convention and meetings	-	219	-	219
Bank, port and wire fees	4,564	4,564	-	9,128
Dues and other expenses	-	107	-	107
Total	<u>\$ 873,761</u>	<u>\$ 57,973</u>	<u>\$ 2,957</u>	<u>\$ 934,691</u>

See accompanying notes.

Peru Mission USA, Inc.
Statement of Cash Flows
For the Year Ended September 30, 2020

Cash flows provided by operating activities:	
Change in net assets	\$ 123,124
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Changes in assets and liabilities:	
Prepaid expenses	<u>(3,642)</u>
Net cash provided by operating activities	119,482
Cash and cash equivalents, beginning of year	<u>399,728</u>
Cash and cash equivalents, end of year	<u>\$ 519,210</u>

Notes to Financial Statements

1. Significant Accounting Policies

Organization

Peru Mission USA, Inc. (the "Organization") was organized in July 2003 and was granted tax-exempt status in July 2004. The Organization is dedicated to the purpose of encouraging and assisting reformed churches throughout the world to fulfill the Great Commission of Jesus Christ, bringing the gospel to the nations. The Organization is supported primarily through contributions.

Financial statement presentation and revenue recognition

The financial statements are presented in accordance with accounting standards generally accepted in the United States of America. The Organization is to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. In addition, the Organization is required to present a statement of cash flows and a statement of functional expenses.

Net Assets without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions or otherwise limited by contractual agreements with outside parties and may be expended for any purpose by the Organization.

Net Assets with Donor Restrictions – Net assets whose use by the Organization is subject to donor-imposed stipulations. Some donor restrictions are temporary in nature; such restrictions may be fulfilled by actions of the Organization pursuant to those stipulations or by the passage of time.

Contributions received are recorded as without donor restrictions and with donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in without donor restrictions net assets 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 with donor restrictions net assets. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), with donor restrictions net assets are reclassified to without donor restrictions net assets and reported on the Statement of Activities as net assets released from restrictions.

Cash and cash equivalents

Cash and cash equivalents include investments in highly liquid investments with an original maturity of three months or less. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments. At times cash balances may be in excess of the limits insured under the federal deposit insurance requirements. It is management's opinion that the Organization is not exposed to any significant credit risk related to cash.

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 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.

Donated services

No amounts have been reflected in the financial statements for services by volunteers. However, a substantial number of volunteers have donated significant amounts of their time in the Organization's program and supporting services.

Peru Mission USA, Inc.
Notes to Financial Statements

Income taxes

The Organization has been granted exemption from federal and state income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Accordingly, the accompanying financial statements do not reflect a provision or liability for federal and state income taxes. The Organization has determined that there are no material unrecognized tax benefits or obligations as of September 30, 2020.

2. Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis on the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on time and effort allocation.

3. With Donor Restrictions Net Assets

With Donor Restrictions net assets are available for the following purposes at September 30, 2020:

Construction	\$	88,841
Economic Development		994
Miscellaneous		11,277
Primary School		35
Missionaries' Support		296,474
Christ's Kids and STT General		35,036
Short term teams		14,687
University Ministry		<u>71,829</u>
Total with donor restrictions net assets	\$	<u>519,173</u>

4. Liquidity and Availability

All of the available financial assets (cash and cash equivalents) are designated by donor. There are no available financial assets for general expenditures.

5. Contingency

In March 2020, the World Health Organization declared the outbreak of COVID-19, a novel strain of Coronavirus, a pandemic. The coronavirus outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of the outbreak on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our customers, employees and vendors, and governmental, regulatory and private sector responses. The financial statements do not reflect any adjustments as a result of the increase in economic uncertainty.

6. Subsequent Events

The Organization evaluated the effect subsequent events would have on the financial statements through February 2, 2021, which is date the financial statements were available to be issued.