MISSION ASSET FUND

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

For the Year Ended December 31, 2013

REYNALDO H. CHING
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San Francisco, Ca 94104

MISSION ASSET FUND
FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2013

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INDEPENDENT AUDITOR'S OPINION

To the Board of Directors
Mission Asset Fund
San Francisco, California

I have audited the accompanying Statement of Financial Position of Mission Asset Fund (MAF), a California not-for-profit corporation, as of December 31, 2013, and the related Statements of Activities, and Cash Flows for the year then ended. These financial statements are the responsibility of the MAF's management. My responsibility is to express an opinion on these financial statements based on my audit. The prior year summarized comparative information has been derived from MAF's December 31, 2012 financial statements and, in my report dated April 30, 2013, I expressed an unqualified opinion on those financial statements.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of MAF's internal control over financial reporting. Accordingly, I express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respect, the financial position of Mission Asset Fund as of December 31, 2013 and the results of its operations and its cash flows for the year ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued my report dated July 31, 2014, on my consideration of MAF's internal control over financial reporting and my tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to described the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

The accompanying supplementary information identified in the table of contents is presented for the purpose of providing additional analysis. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

San Francisco, California
July 31, 2014

MISSION ASSET FUND
STATEMENT OF FINANCIAL POSITION
December 31, 2013
(With Comparative Totals At December 31, 2012)

ASSETS

	2013	2012
Current Assets		
Cash and Cash Equivalent	$ 1,628,207	$ 877,214
Certificate of Deposits	207,463	207,095
Grants Receivable (Note 2)	1,149,529	145,205
Micro Business Loans Receivable (Note 4)	78,446	45,929
MAF Lending Circles Loan Receivable -Cesta (Note 3)	59,850	27,910
MAF Lending Circle for Dreamers Receivable	15,593	17,577
MAF Lending Circle for Citizenship Receivable	3,060	1,105
Partners Lending Circle Loan Receivable (Note 5)	40,410	34,885
Partners Lending Circle Loan Receivable-Others (Note 5)	32,302	-
Total Current Assets	3,214,860	1,356,920
Property & Equipment (Note 6)		
Equipment, Furnitures & Fixtures	33,777	23,252
Less: Accumulated Depreciation	(10,029)	(4,832)
Total Property & Equipment (Net)	23,748	18,420
Other Assets (Note 7)		
System Development in Progress	122,329	-
Others	16,866	15,516
Total Other Assets	139,195	15,516
TOTAL ASSETS	$ 3,377,803	$ 1,390,856

LIABILITIES AND NET ASSETS

	2013	2012
Current Liabilities		
Accounts Payable	$ 30,899	$ 13,582
MAF Lending Circles Loan Payable-Cesta (Note 3)	56,650	23,410
MAF Lending Circle Loan for Dreamers Payable	248	-
MAF Lending Circle Loan for Citizenship Payable	1,938	935
Partner Lending Circle Loan Payable-Cesta (Note 5)	38,395	32,775
Partner Lending Circle Loan Payable-Others (Note 5)	1,716	-
Accrued Liabilities (Note 8)	39,826	22,334
Total Current Liabilities	169,672	93,036
Other Liabilities and Reserve Funds:		
Repayable Grant-Bank of the West Charitable Foundation (Note 9)	75,000	75,000
Loan Loss Reserve Fund (Note 10)	26,903	24,658
Partner Revolving Loan Fund (Note 10)	108,812	9,960
Total Other Liabilities and Reserve Funds	210,715	109,618
Net Assets		
Net Assets - Unrestricted	471,000	475,375
Net Assets - Temporarily Restricted (Note 11)	2,526,416	712,827
Total Net Assets	2,997,416	1,188,202
TOTAL LIABILITIES AND NET ASSETS	$ 3,377,803	$ 1,390,856

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

MISSION ASSET FUND
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2013
(With Comparative Totals For The Year Ended December 31, 2012)

	Unrestricted	Temporarily Restricted	2013 Total	2012 Total
Support and Revenue				
Grant Income	$ 187,707	$ 3,095,000	$ 3,247,707	$ 1,159,365
Donations	2,486		2,486	1,784
Program Service Fees	86,325		86,325	32,066
License Fees	31,025		31,025	13,750
Interests on Savings and Certificates of Deposits	1,183		1,183	1,646
Client Returned Item Fees	3,295		3,295	4,627
Other Income	17,607		17,607	26,061
Total Support and Revenue	329,628	3,095,000	3,389,628	1,239,299
Released from Restrictions:				
Time and Purpose Restrictions Satisfied	1,281,411	(1,281,411)		
Total Support and Revenue	1,611,039	1,813,589	3,424,628	1,239,299
Expenses				
Program Services	1,207,457		1,207,457	920,679
General and Administration	234,165		234,165	258,489
Fund Raising	169,417		169,417	166,629
Total Expenses	1,611,039		1,611,039	1,345,797
Change in Net Assets	-	1,813,589	1,813,589	(106,498)
Net Assets at Beginning of Year	471,000	712,827	1,183,827	1,290,325
Net Assets at End of Year	$ 471,000	$ 2,526,416	$ 2,997,416	$ 1,183,827

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

MISSION ASSET FUND
STATEMENT OF CASH FLOW
For the Year Ended December 31, 2013
(With Comparative Totals For The Year Ended December 31, 2012)

	2013	2012
Cash Flows from Operating Activities:		
Change in Net Assets	$ 1,813,589	$ (106,498)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Provisions for Depreciation	5,197	3,209
(Increase)/Decrease in Grants Receivable	(1,004,324)	176,463
(Increase)/Decrease in Other Receivable	-	950
(Increase)/Decrease in MAF LC Loan Receivable-Cesta	(31,940)	190
(Increase)/Decrease in Partner LC Loan Receivable	(5,525)	(30,435)
(Increase)/Decrease in Micro Business Loans Receivable	(32,517)	(22,683)
(Increase)/Decrease in MAF LC Loan for Dreamers Loan	1,984	(17,577)
(Increase)/Deacrase in MAF LC Loan for Citizenship	(1,955)	(1,105)
(Increase)/Decrease in Partner LC for Dreamers Loan	(23,020)	-
(Increase)/Decrease in Partner LC for Citizenships Loan	(9,282)	-
(Increase)/Decrease in Other Assets	(1,350)	(7,300)
Increase/(Decrease) in Accounts Payable	12,942	10,807
Increase/(Decrease) in MAF LC Loan Payable-Cesta	33,240	(6,380)
Increase/(Decrease) in MAF LC Loan for Citizenship	1,003	935
Increase/(Decrease) in Partner LC payable	5,620	28,525
Increase/(Decrease) in Other Liabilities-FII	-	(14,731)
Increase/(Decrease) in LC for Dreamers payable	248	-
Increase/(Decrease) in Partner LC for Dreamers Loan	1,512	-
Increase/(Decrease) in Partner LC for Citizenship Loan	204	-
Increase/(Decrease) in Accrued Liabilities	17,492	19,325
Increase/(Decrease) in Partner Loan Loss Reserve Fund	2,245	24,658
Increase/(Decrease) in Partner Match Loan Fund	98,852	9,960
Net Cash Provided by Operating Activities	884,215	68,313
Cash Flows Provided by/(Used in) Investing Activities:		
(Increase)/Decrease in Other assets	(122,329)	
(Increase)/Decrease in Certificate of Deposits	(368)	150,672
(Increase)/Decrease in fixed assets (net)	(10,525)	(6,400)
Net Cash Provided by Investing Activities	(133,222)	144,272
Cash Flows Provided by Financing Activities:		
Increase/(Decrease) in Loan Payable-Bank of the West	-	75,000
Net Cash Provided by Financing Activities	-	75,000
Net Increase/(Decrease) in Cash	750,993	287,585
Cash and Cash Equivalents at Beginning of Year	877,214	589,629
Cash and Cash Equivalents at End of Year	$ 1,628,207	$ 877,214

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

MISSION ASSET FUND
NOTES TO FINANCIAL STATEMENTS
For The Year Ended December 31, 2013

ORGANIZATION

Mission Asset Fund is a nonprofit public benefit corporation organized under the Nonprofit Public Benefit Corporation Law of California for charitable purposes. It was formed in 2007 to give financial services to low income residents of the Mission District of San Francisco. The Article of Incorporation was amended on September 4, 2013 with the same purpose of serving as a community financial institution providing a continuum of asset building opportunities for low-income and immigrant families. However, instead of just serving the Mission District of San Francisco, MAF has expanded its operations to include inter-state and out-of-state nonprofit organizations through partnership arrangements.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of Mission Asset Fund have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified on the existence of donor-imposed restrictions. Accordingly, net assets of MAF and changes therein are classified and reported as follows:

Unrestricted net assets - Assets that are currently available for use and are not subject to donor-imposed restrictions. Board-designated assets are also reported as part of the unrestricted net assets.

Temporarily restricted net assets - Assets subject to donor-imposed stipulations that may or will be met, either by actions of MAF and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets - Assets subject to donor-imposed stipulations requiring them to be maintained permanently by MAF. There were no permanently restricted net assets during the year.

Functional Allocation of Expenses

The costs of providing the various programs and other 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.

Cash and Cash Equivalents

Cash and cash equivalents includes short-term highly liquid investments with original maturities of three months or less. Currently, all cash are in checking, savings, certificate of deposit, and money market accounts.

Revenue Recognition

Government grants are recognized as revenue to the extent of expenses. Revenue recognition depends on the grant award agreements. Government funds received in advance are treated as Deferred Revenue. Interest income is recognized when earned. Private grants and contributions that have been awarded for which a specific purpose restriction is not met are recognized as temporarily restricted net assets. In the period when the services have been rendered, and/or specific purpose restrictions has been met, the temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributions and Promise to Give

Contributions, including unconditional promises to give are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows.

Office Lease

MAF has relocated its office at 1470 Valencia Street effective June 1, 2012. Under an operating lease agreement, with two (2) 3 -year options to renew . The future minimum payments under noncancellable operating leases are as follows:

2014	49,200
2015	51,600

Rent expense was approximately $47,000 during 2013.

Defined Contribution Retirement Plan

The name of the Plan is Trinet 401(k) Plan. This Plan is a multiple employer defined contribution plan, which means that 2 or more employers participate under the Plan. Once an employee become a participant, he/she may make Elective Contributions and Roth 401(k) contributions in an amount from 1% to 50% of before tax compensation. This Plan is subject to the rules under ERISA. Effective 1-1-2013, the Board approved an amendment to the Plan allowing a matching contribution of up to 50 % of employee contributions not to exceed 6% of employee salary.

The Plan failed non-discrimination testing during the current year and to maintain its tax-qualified status, corrective action was required. There were two options available:

Option 1. Refund excess contributions of $7,758 to the highly compensated employees as per the test on or before March 15, 2014.

Option 2. Fund a Qualified Non-elective contribution (QNEC). Based on Transamerica (Plan Administrator) calculation, the total of non-elective contribution amounted to $11,185.

MAF has chosen Option 2 and the amount of $11,185 was remitted to Transamerica to cover the non-elective contributions of the non-highly compensated employees. Each employee would be 100% vested in this contribution.

Use of Estimates

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

Income Taxes

Mission Asset Fund has been determined by the Internal Revenue Service to be exempt from federal income tax. Consequently, no provision for income taxes is included in the accompaying financial statements.

2 GRANTS RECEIVABLE

As of December 31, 2013 and 2012, grants receivable are as follow:

	2013	2012
SF Mayor's Office of Housing-CDBG	14,350.00	7,083.00
SF Office of Econ. And Workforce Dev.	4,175.00	8,327.00
Bank of America Charitable Foundation	100,000.00	100,000.00
JP Morgan Chase Foundation	240,000.00	-
21 Progress	15,750.00	-
Tipping Point	20,000.00	-
Thomson Family Foundation	35,000.00	25,000.00
Annie E Casey Foundation	12,500.00	1,000.00
Latino Community Foundation	-	3,100.00
Friedman Family Foundation	-	500.00
Network For Good	-	95.00
Charles Schwab Foundation	-	100.00
James Irvine Foundation	100,000.00	-
Pilipino Workers Center of Southern California	854.00	-
David Silverman	200.00	-
Hacbed Hawaii	450.00	-
Ashoka Foundation	26,250.00	-
Mission Economic Development Agency	5,000.00	-
Citibank	150,000.00	-
Salesforce Foundation	125,000.00	-
C F S I	100,000.00	-
Northwest Area Foundation	100,000.00	-
Ford Foundation	100,000.00	-
	$ 1,149,529.00	$ 145,205.00

3 MAF LENDING CIRCLES-CESTA

MAF has sponsored this asset building program for people who wish to establish credit history, improve credit score, save, and learn to manage their finances more efficiently. The members are MAF's clients in which members lend money to each other. Each member makes contribution monthly and receive the sum total as a loan in the order established by the members.

MISSION ASSET FUND
NOTES TO FINANCIAL STATEMENTS
For The Year Ended December 31, 2013

As of December 31, 2013 and 2012, MAF Lending Circles has the following balances:

	2013		2012	
Receivable (participants loans):	$	59,850.00	$	27,910.00
Payable (participants contributions):	$	56,650.00	$	23,410.00

4 MICRO BUSINESS LOANS (MBL) RECEIVABLE

The MBL program provide direct loans to the MAF Lending Circles participants. To qualify, participants are required to have participated in the MAF Lending Circles-Cesta for at least six (6) months, etc.

As of December 31, 2013 and 2012, MBL receivable from participants shows a balance of :

Funding Source From	2013		2012	
M A F	$	41,400.00	$	24,528.00
Partners		37,046.00		21,401.00
	$	78,446.00	$	45,929.00

5 PARTNERS LENDING CIRCLES

Through partner lending circles, MAF works with nonprofit organizations to help them facilitate lending circle formation. The nonprofit partners bring groups of interested people together, provide financial education, manage and record the loan payments, pull credit scores and report the activity to the credit bureaus. Participants sign a Promissory Note and makes electronic payments.

As of December 31, 2013 and 2012, this program shows the following balances:

	2013		2012	
Lending Circle Receivable	$	40,410.00	$	34,885.00
Lending Circle Payable	$	38,395.00	$	32,775.00

Similar programs but organized and funded by MAF and partners with the specific purpose follow:

Lending Circle Loan for Dreamers-Receivable	$	23,020.00	0
Lending Circle Loan for Citizenship-Receivable		9,282.00	0
	$	32,302.00	0
Lending Circle Loan for Dreamers-Payable	$	1,512.00	0
Lending Circle Loan for Citizenship-Payable.		204.00	0
	$	1,716.00	0

MISSION ASSET FUND
NOTES TO FINANCIAL STATEMENTS
For The Year Ended December 31, 2013

6 PROPERTY AND EQUIPMENT

All property and equipment are recorded at historical cost. Depreciation is computed based on estimated useful life of 5 years. As of December 31, 2013 and 2012, property and equipment consist of the following:

	2013	2012
Furniture and fixtures	$ 1,189.00	$ 1,189.00
Computer and equipment	32,588.00	22,063.00
	33,777.00	23,252.00
Less: Accumulated depreciation	(10,029.00)	(4,832.00)
Property and Equipment (net)	$ 23,748.00	$ 18,420.00

7 OTHER ASSETS

A. System Development in Progress	$ 122,329.00	$ -

MAF is developing a new social lending platform that will increase the efficiency of loan servicing, financial systems, and internal processes. It will also be used to facilitate technical support and assistance to partners, as well as create new offerings to clients including: a user-friendly online portal, crowd funding capabilities, online financial training videos, two-way interactive texting and reporting. The platform will facilitate scaling Lending Circles Program by enabling an easier on-boarding process for new partners. This new platform will provide nonprofit organizations (partners) the ability to conduct their own lending circles programs in their respective communities. It will also allow MAF staff to deliver efficient training and technical assistance to new partners.

The platform is being developed by outside consultants, mainly InCadence and Digital Telepathy. The costs capitalized only represents a portion of the total consulting expenses incurred based on on management calculations of costs attributable to the development of the system. The remainder of the consulting fees paid were charged to expense.

B. Others

As of December 31, the following additional other assets are as follow:

	2013	2012
Lease Deposit	$ 12,916.00	$ 12,916.00
Employee Loans	200.00	2,600.00
Prepaid-Tech Consultant	3,750.00	-
	$ 16,866.00	$ 15,516.00

8 ACCRUED EXPENSES

Accrued expenses as of December 31, 2013 and 2012 are as follow:

	2013	2012
Accrued PTO	26,606.00	20,747.00
Accrued payroll taxes	2,035.00	1,587.00
Accrued Retirement Benefits (Note 1)	11,185.00	-
	$ 39,826.00	$ 22,334.00

9 Repayable Grant from Bank of the West Charitable Foundation

The Foundation has agreed to provide MAF with a repayable grant in the amount of $75,000.00. The grant is structured as an unsecured loan at zero percent (0)% interest. The grant is payable in full, with the first payment of 25%, $18,750, due in mid September 2014. The remaining balance of $56,250 is due in March 2015, 36 months after the money was allocated in March 2012. With this grant, MAF will provide to qualified borrowers micro business loan amount ranging from $500 to $5000. MAF, also agree, business loan receipients will receive small business technical assistance, such as, business plan development or individual business coaching. Micro business loan interest will be 800 basis points inclusive of all origination fees. MAF does not charge interest on the micro business loans.

10 Loan Loss Reserve Fund & Partner Match Loan Fund

A. Loan Loss Reserve Fund - MAF enters into memorandum of understanding (MOU) with nonprofit entities to operate peer lending circles. As part of the agreement, MAF requires parties to maintain a loan loss reserve fund in case of loan delinquencies, fees, and defaults. Specific guidelines on the reserve funds are written into each agreement between MAF and the partner organization.

The partners with loan loss reserve account balances as of December 31, 2013 are as follow:

Financial Guidance Center of Nevada	$ 3,270.00
Fremont Family Resource Center	5,000.00
Family Independent Initiative	3,703.00
Pilipino Workers Center of Southern California	8,000.00
21 Progress	6,930.00
	26,903.00

B. Partner Revolving Loan Fund, or Match Loan Fund - These funds are remitted to MAF by partner organizations for use in on-lending to partner participants. The use of funds is governed by the MOU agreement between MAF and the partner organization.

The partners with revolving loan fund as of December 31, 2013 are as follow:

Family Independent Initiative	56,702.00
21 Progress	52,110.00
	$ 108,812.00

11 TEMPORARILY RESTRICTED NET ASSETS

	2013	2012
Levi Strauss Foundation grants:		
Program support	$ 40,000.00	$ 100,000.00
JP Morgan Chase Foundation	600,000.00	-
Bank of America Charitable Foundation	-	200,000.00
Bank of the West	3,333.00	-
Citi Foundation	383,332.00	192,458.00
Friedman Foundation	8,854.00	20,000.00
Global Social Ventures Fund	-	10,000.00
Marcled Foundation	80,000.00	60,000.00
C F S I	261,529.00	-
San Francisco Foundation	26,667.00	-
Tipping Point	88,333.00	-
James Irvine Foundation	213,889.00	-
Goldhirsch Foundation	33,333.00	-
Salesforce Foundation	250,000.00	-
Capital One	55,000.00	-
Ford Foundation	136,756.00	-
Y&H Soda Foundation	6,223.00	-
Silicon Valley Community Foundation	29,167.00	54,090.00
Northwest Area Foundation	200,000.00	-
Haas Sr. Fund	50,000.00	26,279.00
Thomson Family Foundation	35,000.00	25,000.00
Annie E Casey Foundation	25,000.00	25,000.00
	$ 2,526,416.00	$ 712,827.00

12 SUBSEQUENT EVENTS

The management of MAF has reviewed the results of operations and evaluated subsequent events for the period of time from the year ended December 31, 2013 through July 31, 2014., the date the financial statements were available to be issued, and have determined no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Directors
Mission Asset Fund
San Francisco, California

I have audited the financial statements of the Mission Asset Fund (A non-profit Organization) for the year ended December 31, 2013, and have issued my report thereon dated July 31, 2014. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Mission Asset Fund is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing my audit, I considered MAF's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of MAF's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of MAF's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the MAF's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the MAF's financial statements are free of material misstatements, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of no-compliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended for the information and use of the Board of Directors, management and local awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

San Francisco, California
July 31, 2014

REYNALDO H. CHING

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

The Board of Directors
Mission Asset Fund
San Francisco, California

My report on audit of the basic financial statements of Mission Asset Fund for the year ended December 2013 appears on page 2 and 3. My audit was conducted for the purpose of forming an opinion on the basis financial statements taken as a whole. The accompanying supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements of Mission Asset Fund. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respect in relation to the financial statements taken as a whole.

Rhching

San Francisco, California
July 31, 2014

MISSION ASSET FUND

STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended December 31, 2013

(With Comparative Totals For The Year Ended December 31, 2012)

	Program Services	Fund Raising	General & Administration	2013 Total	2012 Total
Personnel Costs	$ 605,838	$ 117,131	$ 94,418	$ 817,387	$ 795,252
Occupancy	10,686	1,311	52,555	64,552	61,979
Consulting/Contract Services	371,229	38,583	16,024	425,836	234,306
Grants to Other Organizations	20,000	-	-	20,000	36,833
CT Match Fund	12,735	-	-	12,735	5,234
LC for Dreamers Match Fund	37,490	-	-	37,490	11,005
Accounting & auditing services	-	-	23,072	23,072	26,837
Board and Staff Development	12,289	3,094	1,931	17,314	3,242
Conference, meetings, & convention	10,968	1,154	1,562	13,684	1,406
Office & program supplies	24,584	2,846	3,483	30,913	46,506
Telephone	4,010	492	991	5,493	10,565
Postage & shipping	768	105	109	982	1,893
Printing & copying	9,767	264	389	10,420	1,505
Transportation & travel	18,344	1,682	1,554	21,580	19,742
Loan servicing expenses	12,159	1,471	11,611	25,241	-
Client workshops, meals & entertainment	13,336	130	160	13,626	11,682
Advertising, publications, & subscriptions	3,837	65	375	4,277	4,822
Insurance	305	42	1,882	2,229	2,112
Licenses, permits, fees & organization exp.	33,958	401	1,196	35,555	10,741
Donation expense	-	-	250	250	1,580
Property Tax	-	-	-	-	10,375
Depreciation	4,096	499	602	5,197	3,209
Bad Debts	-	-	-	-	4,380
Miscellaneous	1,058	147	22,001	23,206	36,216
Total	1,207,457	169,417	234,165	1,611,039	1,341,422

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