

THE MISSION OF YAHWEH, INC.
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

CONTENTS

Independent Auditor's Report	2-3
Statement of Financial Position	4
Statement of Activities and Changes in Net Assets	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8-13

Independent Auditor's Report

To the Board of Directors
The Mission of Yahweh, Inc.

We have audited the accompanying financial statements of The Mission of Yahweh, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 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.

Auditor's 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 of 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 auditor's 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 entity'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 entity'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 The Mission of Yahweh, Inc. as of December 31, 2020, 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.

Christmann & Co.

Houston, Texas
February 21, 2022

THE MISSION OF YAHWEH, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

ASSETS

Cash and cash equivalents	\$ 1,072,507
Gift cards	5,461
Prepays and other assets	38,532
Land, building and equipment - net	1,499,590
Deposits	3,825
TOTAL ASSETS	<u>\$ 2,619,915</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$ 32,113
SBA loan - Paycheck Protection Program	195,000
Accrued interest - SBA loan - Paycheck Protection Program	1,357
TOTAL LIABILITIES	<u>228,470</u>
NET ASSETS	
Without donor restrictions	2,253,221
With donor restrictions	138,224
TOTAL NET ASSETS	<u>2,391,445</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,619,915</u>

THE MISSION OF YAHWEH, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUES			
Contributions	\$ 1,241,362	\$ 315,896	\$ 1,557,258
Donated materials - net of community outreach contributions	473,104	-	473,104
Special Events - net	248,220	-	248,220
Interest and dividends	1,014	-	1,014
Investment income (loss)	109	-	109
Thrift shop	19,306	-	19,306
Gain (loss) on sale of assets	2,500	-	2,500
Miscellaneous (net of expenses)	4,123	-	4,123
Net Assets Released From Restrictions	274,348	(274,348)	-
TOTAL PUBLIC SUPPORT AND REVENUES	2,264,086	41,548	2,305,634
EXPENSES			
Program Services			
Residential operations	\$ 1,669,449	\$ -	\$ 1,669,449
Learning center operations	103,844	-	103,844
Supporting Services			
Management and general	180,085	-	180,085
Fund-raising	248,249	-	248,249
TOTAL EXPENSES	2,201,627	-	2,201,627
CHANGES IN NET ASSETS	62,459	41,548	104,007
NET ASSETS, BEGINNING OF YEAR	2,190,762	96,676	2,287,438
NET ASSETS, END OF YEAR	\$ 2,253,221	\$ 138,224	\$ 2,391,445

THE MISSION OF YAHWEH, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services		Supporting Services		Total
	Residential Operations	Learning Center Operations	Management and General	Fund-raising	
Salaries and benefits	\$ 641,412	\$ 74,850	\$ 139,944	\$ 176,892	\$ 1,033,098
Contract labor	3,053	-	-	-	3,053
Food and supplies	155,915	-	-	-	155,915
Gift aid to residents	384,192	2,844	-	-	387,036
Insurance	71,526	8,540	8,125	1,368	89,559
Office expenses	55,972	6,097	9,686	50,690	122,445
Utilities	77,077	6,454	427	454	84,412
Repairs	89,180	2,994	101	405	92,680
Depreciation	180,941	-	-	-	180,941
Automobile expense	10,181	2,065	-	-	12,246
Professional services	-	-	21,802	18,440	40,242
TOTAL EXPENSES	\$ 1,669,449	\$ 103,844	\$ 180,085	\$ 248,249	\$ 2,201,627

THE MISSION OF YAHWEH, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Changes in net assets	\$ 104,007
ADJUSTMENTS TO RECONCILE CHANGES IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Depreciation	180,941
Loss (gain) on sale of assets	(2,500)
(Increase) decrease in assets:	
Prepays and other assets	(14,105)
Other receivables	(3,844)
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	<u>(162)</u>
TOTAL ADJUSTMENTS	<u>160,330</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>264,337</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	(21,267)
Proceeds from the sale of assets	<u>2,500</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(18,767)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Borrowings (Repayment) on SBA loan - Paycheck Protection Program	<u>195,000</u>
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>195,000</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	440,570
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>631,937</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,072,507</u>
NONCASH OPERATING ACTIVITY	
IN-KIND CONTRIBUTIONS	<u>\$ 473,104</u>
INTEREST PAID	\$ -
TAXES PAID	\$ -

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

THE MISSION OF YAHWEH, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization: The Mission of Yahweh, Inc. (the “Organization”) was organized as a nonprofit corporation under the laws of the State of Texas on March 14, 1971. The Organization was originally incorporated as Missions of Yahweh, Inc. and was operating under the name of Mission of Yahweh, Inc. from inception through July 2011. In August 2011, the Organization filed for and received an assumed name certificate to operate under the name The Mission of Yahweh, Inc. for a period of ten years. The Organization is located in Houston, Texas.

The purpose of the Organization is to provide temporary relief to poor, distressed and underprivileged women and children. The Organization has established facilities for its residents which provide housing, food, clothing, and education as well as nondenominational worship. The Organization also has an outreach program which serves the nearby community through distribution of donated goods and clothing not consumed by the Organization’s residents.

Basis of Accounting: The accompanying financial statements have been prepared on the accrual basis in accordance with accounting principles established for voluntary health and welfare organizations.

Income Taxes: The Organization is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code of 1986 “Code” and has been classified as an organization, which is not considered a private foundation within the definition of Section 509(a) of the Code. Accordingly, contributions to the Organization are eligible for tax deduction to the maximum extent allowed under the Code by the donor under Section 170 of the Code.

Public Support and Revenue Recognition: Public support is derived through voluntary contributions from individuals, corporations, private foundations and churches. Contributions are recognized as revenue at fair value when an unconditional commitment is received from the donor. Contributions received with donor stipulations that limit their use are classified as with donor restrictions. Conditional contributions are subject to one or more barriers that must be overcome before the Organization is entitled to receive or retain funding. Conditional contributions are recognized in the same manner when the conditions are met.

Donated Services and Assets: Donated services are reported as contributions when the services (a) create or enhance nonfinancial assets or (b) would be purchased if they had not been provided by contribution, require specialized skills and are provided by individuals possessing those skills. At December 31, 2020, a substantial number of unpaid volunteers have made significant contributions of their time to develop the Organization’s programs. No amount has been reflected in the accompanying financial statements for other donated services inasmuch as no objective basis is available to measure the value of such services. Donated assets and goods, if significant, are included in public support at fair value. Donated assets and goods of \$473,104 have been reflected at fair value in the financial statements for the year ended December 31, 2020.

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 certain reported amounts and disclosures. The more significant areas requiring the use of management estimates relate to useful lives for depreciation, valuation of donated materials, valuation of donated property and equipment and categorization of functional expenses. Accordingly, actual results could differ from those estimated.

THE MISSION OF YAHWEH, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

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: For purposes of the statement of cash flows, the Organization considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents.

Investments: Gains and losses on investments are treated as increases or decreases in unrestricted net assets unless a donor or law temporarily or permanently restricts their use.

Property and Equipment: Property and equipment purchased or constructed by the Organization is recorded at cost. Acquisitions of property and equipment of more than \$5,000 are capitalized. Donated property and equipment are recorded at estimated fair value at the date of donation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which range from five years to thirty years. Expenditures for major renewals and betterments are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. When equipment is retired or otherwise disposed of, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is reflected in unrestricted income.

Fair Value Measurements: The Organization adopted ASC 820 “Fair Value Measurement and Disclosures” for financial assets and liabilities which is intended to increase consistency and comparability in fair value measurements by defining fair value, establishing a framework for measuring fair value and expanding disclosures about fair value measurements. At December 31, 2020, the Organization’s carrying amounts of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximated their fair market value.

Inventory: Inventory held by the Organization consists of donated materials used for the Organization’s fund raising efforts. Donated inventory is recorded in the year received at fair market value as determined by the Organization’s management. At December 31, 2020, the Organization had no inventory.

Community Outreach: During the ordinary course of business, the Organization receives food, clothing, toiletries and other goods donated by various donors for the residents of the Mission. Donated goods in excess of the Mission of Yahweh needs and storage capacity are distributed to needy families in the neighborhood. At December 31, 2020, the Organization’s management determined the value of donated goods consumed by the residents with the remaining amount recorded as a contribution to community outreach.

Financial Statement Presentation: Information regarding the financial position and activities of the Organization is reported in two categories as follows:

Net Assets without Donor Restrictions: represent expendable funds available for operations which are not otherwise limited by donor restrictions.

THE MISSION OF YAHWEH, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Net Assets With Donor Restrictions: consist of (i) contributed funds subject to donor or grantor imposed restrictions related to a specific purpose or requiring a specific passage of time before the funds can be spent, and (ii) contributed funds subject to irrevocable donor restrictions requiring the assets be maintained in perpetuity for the purpose of generating investment income to fund current operations.

NOTE 2 - PROPERTY AND EQUIPMENT

At December 31, 2020, property and equipment consist of the following:

Land	\$ 249,506
Land Improvements	38,769
Buildings and Improvements	3,101,168
Furniture and Equipment	231,091
Automotive Equipment	<u>82,947</u>
	\$3,703,481
Less Accumulated Depreciation	<u>(2,203,891)</u>
	<u>\$1,499,590</u>

For the year ended December 31, 2020, depreciation expense is \$180,941.

NOTE 3 – MARKETABLE SECURITIES

The Organization accounts for marketable securities under ASC 320 which requires entities to account for marketable equity securities at fair value. The marketable securities fair value is measured based on level 1 where observable inputs reflect quoted prices in active markets. The Mission classifies its marketable securities as trading securities. Trading generally reflects active and frequent buying and selling, and trading securities are generally used with the objective of generating profits on short-term differences in price. At December 31, 2020, the Organization had no marketable securities.

NOTE 4 - RELATED PARTY TRANSACTIONS

Various members of the Board of Directors made contributions to the Organization during the year ended December 31, 2020 in the amount of \$85,735.

NOTE 5 - CONCENTRATIONS OF CREDIT RISK

The Mission occasionally maintains deposits in excess of federally insured limits. In accordance with ASC 825, the Organization identifies this as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by maintaining all deposits in high quality financial institutions.

NOTE 6 – CONDITIONAL PROMISES TO GIVE

In accordance with ASC 958, the Organization recognizes revenues on conditional promises to give when the restriction upon which they were issued is met. Once the Organization satisfies the conditions of the promise all or part of the promise becomes unconditional and available for use. At December 31, 2020, there were no conditional promises to give.

THE MISSION OF YAHWEH, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 7 - EMPLOYEE BENEFIT PLANS

The Organization has a 401(k) plan in effect for the benefit of all eligible employees. Under this plan, matching contributions by the Organization are not permitted.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Through the Affordable Housing Program (AHP), the Organization executed a Deed of Trust in favor of Compass Bank a member of the Federal Home Loan Bank of Atlanta (FHLBA) for a fifteen-year period beginning in January 2016. FHLBA provided the Organization with \$500,000 which was utilized for the rehabilitation of 44 multifamily units. In accordance with the agreement, no principal or interest payments are required on the advance as long as the multifamily units remain available as a housing facility to eligible individuals for a fifteen year period. Management believes the property is being operated in compliance with this agreement; therefore, no liability has been recognized in these financial statements.

Amounts received from government and other grants require the fulfillment of certain conditions as set forth in the grant contracts. The Organization intends to fulfill the conditions of all grants, recognizing failure to fulfill the conditions could result in the return of the funds to the grantors. Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies. Any disallowed claims, including amounts already collected, could become a liability of the Organization. In management's opinion, disallowed claims, if any, would not have a material adverse effect on the Organization's financial position or results of operations.

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2020, net assets with donor restrictions consist of the following:

Staff Salaries	\$ 8,821
Seniors Program	5,000
Kingdom Expansion Program	9,481
Workforce Integration Now	13,703
Other Restricted	6,816
House of Joy Children's Program	2,500
Dental Program	10,000
Mercy House Water Heaters	461
Women's Transportation Program	16,019
Successful Exit Gift Cards	7,000
Facility Expansion	19,400
Security Enhancements	18,600
Kreative Kingdom Club	17,482
Heat A/C Units and Washer and Dryer	2,941
	<u>\$ 138,224</u>

THE MISSION OF YAHWEH, INC.
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

In 2020, net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose specified by donors as follows:

Purpose restriction accomplished:

Dental Program	\$ 14,500
Van Purchase	20,000
Mercy House Water Heaters	4,539
House of Joy Children’s Program	10,398
Other Restricted	8,849
Seniors Program	60,000
Heat A/C units and washer and dryer	13,059
Kreative Kingdom Club	1,518
Workforce Integration Now	2,798
Staff Salaries	13,500
Women’s Transportation Program	43,957
Kingdom Expansion Program	62,180
Thanksgiving Outreach	19,050
Total Restrictions Released	<u>\$ 274,348</u>

NOTE 10 – SBA LOAN-PAYCHECK PROTECTION PROGRAM (PPP)

On April 17, 2020, the Organization was granted a loan through the SBA from Community Bank of Texas in the aggregate amount of \$195,000 pursuant to the Paycheck Protection Program under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), which was enacted March 27, 2020.

The Loan matures on April 17, 2022 and bears interest at a rate of 1% per annum with the first six months of interest deferred. The Organization accrued interest on the loan of \$1,357 through December 31, 2020. The loan may be prepaid by the Organization at any time prior to maturity with no prepayment penalties. Funds from the loan may only be used for payroll costs and other eligible nonpayroll qualifying costs as permitted under the CARES Act. The Organization intends to use the loan amount for qualifying expenses under the terms of the PPP. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. Subsequent to the Organization’s yearend, the Organization was notified that the loan, including interest accrued, from the SBA was forgiven.

THE MISSION OF YAHWEH, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 11 –LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization manages its liquidity by investing cash in excess of daily requirements in short-term investments, typically money market or certificate of deposit accounts.

Financial assets available for general expenditures, 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:

Cash and cash equivalents	\$1,072,507
Gift cards	5,461
Prepaid and other assets	<u>38,532</u>
Total	<u>\$1,116,500</u>

NOTE 12 –SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 21, 2022, which is the date the financial statements were available to be issued.