

THE MISSION OF YAHWEH, INC.  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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## Independent Auditor's Report

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

### **Opinion**

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, 2021, 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.

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, 2021, 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 for 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Mission of Yahweh, Inc. 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 The Mission of Yahweh, Inc.'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 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 Mission of Yahweh, Inc.'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 Mission of Yahweh, Inc.'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.

*Christman & Co.*

Houston, Texas  
February 17, 2023

THE MISSION OF YAHWEH, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2021

ASSETS

Cash and cash equivalents	\$ 788,885
Pledges receivable	13,000
Gift cards	7,671
Prepays and other assets	40,993
Land, building and equipment - net	1,450,036
Deposits	8,880
 TOTAL ASSETS	 <u>\$ 2,309,465</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$ 68,384
TOTAL LIABILITIES	<u>68,384</u>
 NET ASSETS	
Without donor restrictions	1,997,169
With donor restrictions	<u>243,912</u>
 TOTAL NET ASSETS	 <u>2,241,081</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 2,309,465</u>

THE MISSION OF YAHWEH, INC.  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>PUBLIC SUPPORT AND REVENUES</b>			
Contributions	\$ 921,710	\$ 481,952	\$ 1,403,662
Donated materials - net of community outreach contributions	635,410	-	635,410
Special Events - net	189,794	-	189,794
Interest and dividends	41	-	41
Investment income (loss)	773	-	773
Thrift shop	24,305	-	24,305
Miscellaneous (net of expenses)	19,808	-	19,808
Gain upon debt extinguishment (PPP loan including interest)	197,538	-	197,538
Net Assets Released From Restrictions	376,264	(376,264)	-
<b>TOTAL PUBLIC SUPPORT AND REVENUES</b>	<b>2,365,643</b>	<b>105,688</b>	<b>2,471,331</b>
<b>EXPENSES</b>			
Program Services			
Residential operations	\$ 1,962,868	\$ -	\$ 1,962,868
Learning center operations	167,879	-	167,879
Supporting Services			
Management and general	184,788	-	184,788
Fund-raising	306,160	-	306,160
<b>TOTAL EXPENSES</b>	<b>2,621,695</b>	<b>-</b>	<b>2,621,695</b>
<b>CHANGES IN NET ASSETS</b>	<b>(256,052)</b>	<b>105,688</b>	<b>(150,364)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>2,253,221</b>	<b>138,224</b>	<b>2,391,445</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 1,997,169</b>	<b>\$ 243,912</b>	<b>\$ 2,241,081</b>

THE MISSION OF YAHWEH, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services		Supporting Services		Total
	Residential Operations	Learning Center Operations	Management and General	Fund-raising	
Salaries and benefits	\$ 659,380	\$ 131,950	\$ 142,870	\$ 191,484	\$ 1,125,684
Contract labor	4,850	-	-	-	4,850
Food and supplies	208,827	-	-	-	208,827
Gift aid to residents	557,116	9,230	-	-	566,346
Insurance	67,597	7,814	8,411	2,383	86,205
Office expenses	87,228	7,760	10,264	92,114	197,366
Utilities	97,505	5,391	1,666	1,299	105,861
Repairs	82,328	2,416	6	176	84,926
Depreciation	180,596	-	-	-	180,596
Automobile expense	17,441	3,318	-	84	20,843
Professional services	-	-	21,571	18,620	40,191
<b>TOTAL EXPENSES</b>	<b><u>\$ 1,962,868</u></b>	<b><u>\$ 167,879</u></b>	<b><u>\$ 184,788</u></b>	<b><u>\$ 306,160</u></b>	<b><u>\$ 2,621,695</u></b>

THE MISSION OF YAHWEH, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Changes in net assets	\$ (150,364)
ADJUSTMENTS TO RECONCILE CHANGES IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Depreciation	180,596
Gain upon debt extinguishment (PPP loan including interest)	(197,538)
(Increase) decrease in assets:	
Prepays and other assets	(7,516)
Pledges receivable	(13,000)
Other receivables	(2,210)
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	<u>36,271</u>
TOTAL ADJUSTMENTS	<u>(3,397)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(153,761)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	<u>(131,042)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(131,042)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Borrowings (Repayment) on SBA loan - Paycheck Protection Program	<u>1,181</u>
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>1,181</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(283,622)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,072,507</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 788,885</u></u>
NONCASH OPERATING ACTIVITY	
IN-KIND CONTRIBUTIONS	<u><u>\$ 635,410</u></u>
INTEREST PAID	\$ -
TAXES PAID	\$ -

THE MISSION OF YAHWEH, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021, 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 \$635,410 have been reflected at fair value in the financial statements for the year ended December 31, 2021.

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, 2021

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, 2021, 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, 2021, 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, 2021, 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, 2021

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, 2021, property and equipment consist of the following:

Land	\$ 249,506
Land Improvements	38,769
Buildings and Improvements	3,128,840
Furniture, Fixtures, and Equipment	317,188
Automotive Equipment	<u>82,947</u>
	\$3,817,250
Less Accumulated Depreciation	<u>(2,367,214)</u>
	<u>\$1,450,036</u>

For the year ended December 31, 2021, depreciation expense is \$180,596.

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, 2021, 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, 2021 in the amount of \$107,923.

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, 2021, there were no conditional promises to give.

THE MISSION OF YAHWEH, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021, net assets with donor restrictions consist of the following:

Seniors Program	44,583
Workforce Integration Now	50,197
Other Restricted	7,996
Children’s Program	325
Back to School	829
Shade Structure for Children’s Playground	625
Cargo Van	7,000
Sister Gay Statue	2,500
Stand by Generators	73,580
Winter Storm Damage	697
Thanksgiving/Christmas	1,300
Dental Program	2,500
Mercy House Water Heaters	461
Successful Exit Gift Cards	4,700
Facility Expansion	25,775
Security Enhancements	7,180
Kreative Kingdom Club	13,408
Heat A/C Units and Washer and Dryer	256
	<u>\$ 243,912</u>

THE MISSION OF YAHWEH, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

In 2021, net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose specified by donors as follows:

Purpose restriction accomplished:

Dental Program	\$ 12,500
House of Joy Children’s Program	12,500
Other Restricted	8,679
Seniors Program	25,417
Heat A/C units and washer and dryer	2,685
Kreative Kingdom Club	4,073
Workforce Integration Now	13,506
Staff Salaries	17,821
Women’s Transportation Program	26,019
Kingdom Expansion Program	56,481
Thanksgiving Outreach	740
Children’s Program	5,300
Sister Gay Statue	7,500
Christmas on a Mission	90,366
Winter Storm Damage	6,462
Successful Exit Gift Cards	2,300
Sixtieth Anniversary Celebration	10,000
Security Enhancements	22,420
Commercial Washing Machine	6,495
Children’s Playground	20,000
Resurface Parking Lot	<u>25,000</u>
Total Restrictions Released	<u>\$ 376,264</u>

NOTE 10 – SBA LOAN-PAYCHECK PROTECTION PROGRAM (PPP) – GAIN UPON DEBT  
EXTINGUISHMENT

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 \$2,538 through December 31, 2021. 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 used the proceeds of the loan for qualifying expenses under the terms of the PPP. In August 2021, the bank notified the Organization that the PPP loan, including interest, was forgiven. The Organization is recognizing the forgiven debt of \$197,538 as gain upon debt extinguishment in the financial statements.

THE MISSION OF YAHWEH, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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	\$ 788,885
Pledges Receivable	13,000
Gift cards	7,671
Prepaid and other assets	<u>40,993</u>
 Total	 <u>\$ 850,549</u>

NOTE 12 –SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 17, 2023, which is the date the financial statements were available to be issued.