



John 3:16 Mission

FINANCIAL STATEMENTS

September 30, 2022 and 2021

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Independent Auditors' Report

To the Board of Directors
John 3:16 Mission

Opinion

We have audited the accompanying financial statements of John 3:16 Mission (the Mission), which comprise the statement of financial position as of September 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of John 3:16 Mission as of September 30, 2022, 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 (GAAS). 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 the Mission 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.

Prior Period Financial Statements

The financial statements of John 3:16 Mission for the year ended September 30, 2021, were audited by other auditors whose reported dated April 28, 2022, expressed an unmodified opinion on those statements.

Responsibilities of Management 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.

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

Auditors' 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 auditors' 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 GAAS 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 GAAS, 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'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'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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Tulsa, Oklahoma
September 29, 2023

Statements of Financial Position

September 30,

Assets	2022	2021
Current assets		
Cash and cash equivalents	\$ 7,109,630	\$ 12,448,975
Investments	4,998,256	-
Current portion of pledges receivable	-	1,305,638
Prepays and other current assets	12,732	57,691
Total current assets	<u>12,120,618</u>	<u>13,812,304</u>
Property and equipment		
Land	1,184,124	1,180,477
Building and improvements	12,402,635	9,128,802
Computer equipment	471,668	414,213
Furniture and fixtures	1,565,449	1,122,340
Vehicles	396,846	393,760
Construction in progress	511,312	155,289
Less accumulated depreciation	<u>(4,904,100)</u>	<u>(4,193,812)</u>
Property and equipment, net	<u>11,627,934</u>	<u>8,201,069</u>
Total assets	<u><u>\$ 23,748,552</u></u>	<u><u>\$ 22,013,373</u></u>
Liabilities and net assets		
Current liabilities		
Accounts payable	\$ 540,416	\$ 112,163
Accrued liabilities	101,282	79,156
Total current liabilities	<u>641,698</u>	<u>191,319</u>
Mortgage payable	1,000,000	1,000,000
Total liabilities	<u>1,641,698</u>	<u>1,191,319</u>
Net assets		
Without donor restrictions	13,985,211	14,073,741
With donor restrictions	8,121,643	6,748,313
Total net assets	<u>22,106,854</u>	<u>20,822,054</u>
Total liabilities and net assets	<u><u>\$ 23,748,552</u></u>	<u><u>\$ 22,013,373</u></u>

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

Statements of Activities

Years Ended September 30,

	2022	2021
Change in net assets without donor restrictions		
Support and revenue:		
Contributions	\$ 7,699,433	\$ 10,041,001
Contributions in-kind	2,527,084	2,120,646
Net assets released from donor restrictions	242,307	109,022
Fundraising events	35,781	29,780
Investment income	25,683	11,859
Rag sales	325	3,790
Other income	79,496	547,802
Total support and revenue without donor restrictions	<u>10,610,109</u>	<u>12,863,900</u>
Expenses		
Program expenses:		
Men's ministries	2,416,306	2,182,434
Family and youth ministries	2,806,615	3,001,588
Women's ministries	730,732	643,044
Operations	1,969,851	808,671
Total program expenses	<u>7,923,504</u>	<u>6,635,737</u>
Management and general	676,935	826,868
Fundraising	2,098,200	1,956,098
Total expenses	<u>10,698,639</u>	<u>9,418,703</u>
Change in net assets without donor restrictions	<u>(88,530)</u>	<u>3,445,197</u>
Change in net assets with donor restrictions		
Contributions	1,615,637	2,829,761
Net assets released from donor restrictions	(242,307)	(109,022)
Change in net assets with donor restrictions	<u>1,373,330</u>	<u>2,720,739</u>
Change in net assets	1,284,800	6,165,936
Net assets		
Beginning of year	20,822,054	14,656,118
End of year	<u>\$ 22,106,854</u>	<u>\$ 20,822,054</u>

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

John 3:16 Mission

Statement of Functional Expenses

Year Ended September 30, 2022

	Men's ministries	Family & youth ministries	Women's ministries	Operations	Total programs	Management & general	Fund- raising	Total
Advertising	\$ 53,723	\$ 69,754	\$ 9,331	\$ 26,898	\$ 159,706	\$ 2,594	\$ 452,677	\$ 614,977
Benevolences	165,546	1,402,081	14,693	989,345	2,571,665	17,289	17,172	2,606,126
Building & grounds	34,971	47,831	-	2,612	85,414	-	-	85,414
Conferences	1,817	6,339	3,917	69	12,142	21,145	2,125	35,412
Depreciation	325,870	122,604	14,905	200,390	663,769	46,519	-	710,288
Dues & subscriptions	1,520	566	662	-	2,748	30,945	1,903	35,596
Equipment costs	41,799	26,958	9,414	54,072	132,243	482	-	132,725
Food	348,604	-	-	-	348,604	-	-	348,604
Gratuities & allowances	24,149	192	5,435	-	29,776	3,390	3,067	36,233
Insurance	42,870	40,727	28,829	51,755	164,181	33,379	19,563	217,123
Janitorial	7,583	1,260	1,032	12,229	22,104	-	516	22,620
Meals & meetings	955	13,969	40,703	340	55,967	13,898	5,810	75,675
Medical	2,685	-	-	-	2,685	-	-	2,685
Miscellaneous	100,071	33,756	20,040	39,781	193,648	67,438	345,037	606,123
Office supplies	96,371	42,224	16,069	47,725	202,389	33,929	5,609	241,927
Postage	231	24	-	732	987	5,612	627,470	634,069
Printing	440	203	-	718	1,361	2,312	49,688	53,361
Professional services	24,986	4,006	-	30,653	59,645	52,256	69,957	181,858
Recreation	18,534	59,640	6,820	-	84,994	-	-	84,994
Rent	4,250	2,775	1,730	36,874	45,629	11,378	2,062	59,069
Revival expense	1,310	-	-	-	1,310	-	-	1,310
Telephone	27,105	16,562	3,944	9,233	56,844	25,115	19,506	101,465
Transportation	25,830	11,852	18,102	53,440	109,224	13,326	8,662	131,212
Utilities	121,298	72,217	9,945	35,871	239,331	10,235	9,945	259,511
Wages & payroll taxes	943,788	831,075	525,161	377,114	2,677,138	285,693	457,431	3,420,262
Total expenses	\$ 2,416,306	\$ 2,806,615	\$ 730,732	\$ 1,969,851	\$ 7,923,504	\$ 676,935	\$ 2,098,200	\$ 10,698,639

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

John 3:16 Mission

Statement of Functional Expenses

Year Ended September 30, 2021

	Men's ministries	Family & youth ministries	Women's ministries	Operations	Total programs	Management & general	Fund- raising	Total
Advertising	\$ 53,962	\$ 74,583	\$ 10,462	\$ 26,416	\$ 165,423	\$ 638	\$ 367,221	\$ 533,282
Benevolences	242,609	1,722,557	37,008	108,892	2,111,066	49,890	18,863	2,179,819
Building & grounds	18,401	29,482	-	817	48,700	-	-	48,700
Conferences	2,107	6,426	4,414	-	12,947	22,738	1,538	37,223
Depreciation	258,066	107,461	16,123	133,854	515,504	43,056	-	558,560
Dues & subscriptions	30	293	172	-	495	43,991	1,599	46,085
Equipment costs	56,151	36,201	9,267	47,071	148,690	6,099	345	155,134
Food	257,938	-	-	-	257,938	-	-	257,938
Gratuities & allowances	20,470	1,292	5,036	-	26,798	7,959	3,893	38,650
Insurance	121,506	115,107	31,454	39,033	307,100	23,683	42,538	373,321
Janitorial	8,884	1,490	-	8,349	18,723	-	-	18,723
Meals & meetings	538	9,647	25,733	150	36,068	13,411	5,213	54,692
Medical	2,174	-	-	-	2,174	-	-	2,174
Miscellaneous	86,162	5,024	9,543	23,334	124,063	-	258,624	382,687
Office supplies	78,197	30,494	13,477	38,765	160,933	27,339	16,394	204,666
Postage	170	63	25	300	558	8,693	653,216	662,467
Printing	472	2,276	472	-	3,220	1,714	52,111	57,045
Professional services	-	60	-	-	60	109,818	80,417	190,295
Recreation	11,672	59,947	5,085	-	76,704	-	-	76,704
Rent	-	-	-	36,902	36,902	11,569	-	48,471
Revival expense	22	-	-	-	22	-	-	22
Telephone	40,028	14,157	1,408	4,440	60,033	13,762	27,340	101,135
Transportation	18,803	15,393	11,724	32,490	78,410	10,228	11,670	100,308
Utilities	91,953	54,628	7,938	49,111	203,630	9,839	9,497	222,966
Wages & payroll taxes	812,119	715,007	453,703	258,747	2,239,576	422,441	405,619	3,067,636
Total expenses	\$ 2,182,434	\$ 3,001,588	\$ 643,044	\$ 808,671	\$ 6,635,737	\$ 826,868	\$ 1,956,098	\$ 9,418,703

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

Statements of Cash Flows

Years Ended September 30,

	2022	2021
Cash flows from operating activities		
Change in net assets	\$ 1,284,800	\$ 6,165,936
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
PPP loan forgiveness	-	(492,900)
Depreciation expense	710,288	558,560
Net realized and unrealized losses on investments	10,052	-
Contributions restricted to long-term purposes	(1,452,335)	(1,501,264)
Changes in operating assets and liabilities:		
(Increase) decrease in pledges receivable	1,305,638	(1,230,638)
Decrease in prepaids and other current assets	44,959	55,130
Decrease in other assets	-	21,485
Increase (decrease) in accounts payable	428,253	(5,766)
Increase (decrease) in accrued liabilities	22,126	(48,006)
Net cash provided by operating activities	<u>2,353,781</u>	<u>3,522,537</u>
Cash flows from investing activities		
Purchases of property and equipment	(4,137,153)	(496,111)
Purchases of investments	(5,008,308)	-
Net cash used in investing activities	<u>(9,145,461)</u>	<u>(496,111)</u>
Cash flows from financing activities		
Contributions restricted to long-term purposes	<u>1,452,335</u>	<u>1,501,264</u>
Increase (decrease) in cash and cash equivalents	<u>(5,339,345)</u>	<u>4,527,690</u>
Cash and cash equivalents		
Beginning of year	<u>12,448,975</u>	<u>7,921,285</u>
End of year	<u>\$ 7,109,630</u>	<u>\$ 12,448,975</u>

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

Notes to Financial Statements

September 30, 2022 and 2021

Note A – Organization and Vision

John 3:16 Mission (the Mission) is a nonprofit corporation formed for the purposes of conducting worship services, providing religious instruction, spiritual aid and assistance to needy and deserving persons, and following Biblical teaching and preaching by disseminating the gospel and providing emergency material assistance in the form of food, clothing and shelter to the homeless and at-risk population. Incorporated under the State of Oklahoma in October 1952, the Mission has served thousands of homeless men, women, and children through the decades, helping them live a better life grounded in Christian faith.

The Mission's emergency shelter program provides a safe refuge from the street each night for up to 110 men. The Mission also serves around 350 meals each day to Tulsa's homeless and at-risk, and to men enrolled in their faith-based recovery programs. Additionally, the Mission operates a Family & Youth Center located in North Tulsa. The Family & Youth Center provides material, spiritual and educational support to at-risk low-income families living in inner-city environments.

The Mission operates BeeLoved Trading (BeeLoved), a separate activity within the Mission to provide vocational training for the homeless, recovering addicts, and under-resourced men, women, youth, and children in the community. BeeLoved is a launching point for the Mission to create steady forms of revenue streams in order to sustain the Mission's growth and purpose within the community.

Note B – Summary of Significant Accounting Policies

1. Basis of Accounting

The financial statements of the Mission have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America. The significant accounting policies are described below to enhance the usefulness of these financial statements to the reader.

2. Basis of Presentation

The Mission is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Mission and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from donor restrictions. Contributions with donor restrictions that are both received and released within the same year are recorded as an increase in net assets with donor restrictions and as a satisfaction of program restrictions.

Notes to Financial Statements

September 30, 2022 and 2021

Note B – Summary of Significant Accounting Policies – Continued

3. *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 and disclosures. Accordingly, actual results could differ from those estimates.

4. *Cash and Cash Equivalents*

The Mission considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

5. *Investments*

The Mission reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

6. *Concentrations and Credit Risk*

The Mission maintains cash deposits with financial institutions at September 30, 2022 and 2021, in excess of federally insured limits of approximately \$6,473,000 and \$11,328,000, respectively.

7. *Pledges Receivable*

Contributions, absent any promises with unsatisfied conditions, are recognized as revenue in the period received or promised. Pledges are recorded at their fair value at the time the promise is made and are discounted to their present value. The Mission evaluated its outstanding pledges at September 30, 2021, and determined an allowance for uncollectible pledges was not considered necessary. There were no outstanding pledges at September 30, 2022.

8. *Property and Equipment*

Acquisitions of property and equipment in excess of \$500 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method. Useful lives range from 3 to 15 years for most technology, furniture, fixtures, and equipment and 40 years for buildings. Expenditures for repairs and maintenance are charged to operating expense as incurred.

The Mission periodically reviews the carrying amount of its capital assets whenever events or circumstances provide evidence that suggests that the carrying amount may not be recoverable. If this review indicates that capital assets may not be recoverable, the Mission reviews the expected undiscounted future net operating cash flows from the use of these assets. If such assets are considered impaired, the impairment in value is recognized as a charge in the statement of activities. The impairment charge is the difference between the carrying amount of the capital assets and its fair value. As of September 30, 2022 and 2021, the Mission does not believe there is any indication that the carrying value of its capital assets has been impaired.

Notes to Financial Statements

September 30, 2022 and 2021

Note B – Summary of Significant Accounting Policies – Continued

8. *Property and Equipment – Continued*

Construction in progress at September 31, 2022 and 2021, consists of architectural costs for the Hope Ranch, which is scheduled to be completed in fiscal year 2023.

9. *Revenue Recognition*

The Mission follows ASU 2014-09, *Revenue from Contracts with Customers*. Entities are required to apply the following steps when recognizing revenue under ASU 2014-09: (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when (or as) the entity satisfies a performance obligation. This ASU also requires additional disclosures related to the nature, amount, timing, and uncertainty of revenue and cash flows from customer contracts.

The Mission's revenues subject to this recognition policy includes service and sales revenue, which are recognized at the time the services are provided, and the revenue is earned based on satisfaction of the related performance obligation.

All donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

A significant portion of the Mission's support comes from contributions solicited through direct mail appeals to lists of contributors which have been developed over many years. These contributions are recognized as income when received.

10. *Income Taxes*

The Mission is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for state or federal income taxes is necessary. The Mission is not classified as a private foundation under Section 509(a) of the Internal Revenue Code. The Mission is classified by the IRS as a church pursuant to Section 170(b)(1)(A)(i) of the Internal Revenue Code and thus is exempt from mandatory filing of the IRS Form 990 annual return. Any federal income tax returns filed by the Mission are subject to examination by the IRS and state taxing authorities, generally for three years after they were filed. It is the Mission's policy that penalties and interest assessed by income taxing authorities, if any, are included in operating expenses. The Mission annually evaluates its various tax positions and assesses the likelihood of these positions being upheld by examination with relevant tax authorities.

11. *Contributions of Nonfinancial Assets*

The Mission receives donated services from a variety of unpaid volunteers, for which no amounts have been reflected on the financial statements.

Notes to Financial Statements

September 30, 2022 and 2021

Note B – Summary of Significant Accounting Policies – Continued

11. Contributions of Nonfinancial Assets – Continued

The Mission reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Mission reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

The Mission receives in-kind contributions of food, clothing, furniture, household items, and various miscellaneous items that are of use to the clients they serve. These items are generally distributed to their clients on a next-day basis. The items received are valued based upon standards and practices developed by the Evangelical Council for Financial Accountability (ECFA). Equal amounts of contribution revenue and program expenses related to in-kind contributions of \$2,527,084 and \$2,120,646 were recognized for the years ended September 30, 2022 and 2021, respectively.

12. Functional Expenses

The Mission provides shelter and food for the homeless, overnight lodging, training for re-integration with society, and family and youth ministries. The cost of providing the various programs and other activities are summarized on a functional basis in the statements of activities. Accordingly, certain facility costs have been allocated among the programs and support activities benefited. The allocation is based upon the square footage occupied by each program and support activity. Personnel costs are allocated based on estimates of time and effort.

13. Advertising Costs

Costs incurred for producing and communicating non-direct advertising are expensed when incurred. Advertising costs are expensed as incurred. The Mission incurred advertising expenses of \$614,977 and \$533,282 for the years ended September 30, 2022 and 2021, respectively.

14. Reclassifications

Certain reclassifications of amounts previously reported have been made to accompanying financial statements to maintain consistency between periods presented. The reclassifications have no impact on the previously reported net assets or change in net assets.

15. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 29, 2023, and determined there were no events that occurred that required disclosure.

Notes to Financial StatementsSeptember 30, 2022 and 2021

Note C – Liquidity and Availability

The Mission receives significant contributions from donors and considers contributions restricted for programs, which are ongoing, major, and central to its annual operations, to be available to meet cash needs for general expenditures. Net assets with donor restrictions, except those restricted by donors for future capital projects, are restricted by purpose and are considered available for the next period.

Assets available to meet cash needs for general expenditures within one year, without contractual or donor restrictions, as of September 30 consist of the following:

	2022	2021
Cash	\$ 7,109,630	\$ 12,448,975
Investments	4,998,256	-
Pledges receivable	-	1,305,638
Total financial assets	<u>12,107,886</u>	<u>13,754,613</u>
Less amount not available within one year:		
Financial assets restricted for capital projects	(7,610,331)	(6,593,024)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,497,555</u>	<u>\$ 7,161,589</u>

The Mission manages its liquidity by keeping operational funding, donor restricted gifts, and a 90-day board-mandated operational reserve on hand at all times.

Note D – Investments and Fair Value Measurements

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as:

- 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; or
 - can be corroborated by observable market data.

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.

Notes to Financial StatementsSeptember 30, 2022 and 2021

Note D – Investments and Fair Value Measurements – Continued

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

The asset 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Fixed income securities: Valued at the daily closing price as reported by the fund. The fixed income securities held by the Mission are deemed to be actively traded.

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

Investments consisted of the following as of September 30, 2022:

	<u>Cost</u>	<u>Market Value</u>
Money market fund	\$ 18,513	\$ 18,513
Fixed income securities	4,981,322	4,979,743
	<u>\$ 4,999,835</u>	<u>\$ 4,998,256</u>

Investments measured at fair value consisted of the following as of September 30, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market fund	\$ 18,513	\$ -	\$ -	\$ 18,513
Fixed income securities	4,979,743	-	-	4,979,743
	<u>\$ 4,998,256</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,998,256</u>

The Mission had no investments at September 30, 2021.

Notes to Financial Statements

September 30, 2022 and 2021

Note E – Mortgage Payable

In April 2014, the Mission entered into a mortgage note payable to BOK Financial (BOKF) pursuant to the Federal Home Loan Bank of San Francisco's Affordable Housing Program in the amount of \$1,000,000, collateralized by real estate. This note payable provided funds to be used toward the Mission's Men's Center Expansion & Rehabilitation program.

The note is non-interest bearing and has a 15-year retention period, during which the Mission must comply with the terms of the agreement. Upon expiration of the retention period without default by the Mission, the note will be deemed satisfied, and the Mission will have no further obligations under it. In the event of default, as defined in the loan agreement, the outstanding principal balance would become immediately due and payable in full at the option of the lender.

Note F – Net Assets with Donor Restrictions

A summary of net assets with donor restrictions for the 2022 fiscal year is as follows:

For the year ended September 30, 2022				
Restricted activity	Beginning of year balance	Contributions	Satisfaction of restrictions	End of year balance
Youth program	\$ -	\$ 65,502	\$ (65,502)	\$ -
Refuge	-	77,800	(77,800)	-
Summer kids camp	-	20,000	(20,000)	-
Capital projects	6,748,313	1,452,335	(79,005)	8,121,643
Total	\$ 6,748,313	\$ 1,615,637	\$ (242,307)	\$ 8,121,643

A summary of the activity in these programs for the 2021 fiscal year is as follows:

For the year ended September 30, 2021				
Restricted activity	Beginning of year balance	Contributions	Satisfaction of restrictions	End of year balance
Youth program	\$ -	\$ 225	\$ (225)	\$ -
Women's program	-	432	(432)	-
Refuge	-	1,350	(1,350)	-
Summer kids camp	-	26,490	(26,490)	-
Capital projects	4,027,574	2,801,264	(80,525)	6,748,313
Total	\$ 4,027,574	\$ 2,829,761	\$ (109,022)	\$ 6,748,313

Notes to Financial StatementsSeptember 30, 2022 and 2021

Note G – Contributions In-Kind

All donated goods were utilized by the Mission's program and supporting services. There were no donor-imposed restrictions associated with the contributed goods. The donated goods contributed to the Mission consists of the following for the years ended September 30, 2022 and 2021:

	2022	2021
Program services		
Men's ministries	\$ 10,939	\$ 15,756
Family & youth ministries	1,292,520	1,635,384
Women's ministries	-	20,247
Operations	1,097,903	299,530
Supporting services		
Management & general	18,382	52,229
Fundraising	107,340	97,500
	<u>\$ 2,527,084</u>	<u>\$ 2,120,646</u>
Total contributed goods	<u>\$ 2,527,084</u>	<u>\$ 2,120,646</u>

Donated goods are valued at the wholesale prices that would be received for selling similar products.

Note H – Paycheck Protection Program Loan Forgiveness

On May 1, 2020, the Mission was granted a loan from Prosperity Bank in the aggregate amount of \$492,900, pursuant to the Payroll Protection Program (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. On November 6, 2020, the Mission was notified that all funds received under this program had been forgiven and such forgiveness was recognized as revenue for the fiscal year ended September 30, 2021.

Note I – Benefit Plan

The Mission provides a 401(k) savings plan for employees who meet certain eligibility requirements. The plan is funded by participant contributions, and a discretionary contribution of \$200 per month is contributed by the Mission for all employees. Contributions made by the Mission amounted to approximately \$137,000 and \$69,000 for the years ended September 30, 2022 and 2021, respectively.

Note J – Commitments

As of September 30, 2022, the Mission had entered into a construction contract with a guaranteed maximum amount totaling approximately \$4,300,000 for the construction of the Hardesty Women's Renew Building and the Refuge Men's Center. Amounts incurred during the year ended September 30, 2022 totaled approximately \$2,900,000.

Notes to Financial Statements

September 30, 2022 and 2021

Note J – Commitments - Continued

Subsequent to year end, the Mission amended the construction contract to add approximately \$7,900,000 to the scope of work resulting in a new guaranteed maximum amount totaling approximately \$12,100,000 for the construction of the Hardesty Women’s Renew Building and the Refuge Men’s Center. On January 31, 2023, the Hardesty Women’s Renew Building was completed.

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